Daily Report

Latin America

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Cuba

List of Central Committee Members Reported

FL0811164791

[Editorial Report] Havana Tele Rebelde Network in Spanish at 0251 GMT on 21 October carries a 20-minute unscheduled segment with photographs, names, and titles of all the members of the Central Committee of the Communist Party of Cuba [PCC] chosen during the Fourth PCC Congress held at the Heredia Theater in Santiago de Cuba. As the photographs appear on the screen, an unidentified announcer reads the names and titles of each Central Committee member as follows:

Miguel ACEBO Cortinas, first secretary of the PCC Municipal Committee in Manicaragua.
Rogelio ACEVEDO Gonzalez, division general, president of the Cuban Civil Aeronautics Institute.
Juan de la Cruz AISPURUA Rodriguez, member of the national bureau and secretariat of the Committees for the Defense of the Revolution [CDR].
Ricardo ALARCON de Quesada, first vice minister of foreign relations, Cuban ambassador to the United Nations.
Rolando ALFONSO Borges, colonel, deputy chief of the Revolutionary Armed Forces [FAR] political directorate.
Julian ALVAREZ Blanco, vice minister of public health.
Rodrigo ALVAREZ Cambras, director of the Frank Pais National Orthopedic and Teaching Hospital.
Luis E. ALVAREZ de la Nuez, first secretary of the PCC Provincial Committee in Matanzas.
Abelardo ALVAREZ Gil, departmental head of the Central Committee.
Ramon ANDOLLO Valdes, brigadier general, Ministry of the Revolutionary Armed Forces [MINFAR].
Feliberto ARAZO Hernandez, director of the Juventud Heroica Agriculture Center in Ciego de Avila.
Jorge Luis ASPIOLEA Roig, president of the National Hydraulic Resources Institute.
Mario Anastasio AVILA Hernandez, refrigeration mechanic, Triton Hotel.
Gilda Glenda AZOY Quintana, member of the executive bureau of the PCC Provincial Committee in Havana.
Jose Ramon BALAGUER Cabrera, Cuban ambassador to the USSR.
Felix BARANDA Columbie, brigadier general, MINFAR.
Sixto BATISTA Santana, division general, CDR national coordinator.
Lucio BENCOMO Valle, member of the executive bureau of the PCC Provincial Committee in Pinar del Rio.
Jesus BERMUDEZ Cutino, brigadier general, Ministry of Interior [MININT].
Urbelino S. BETANCOURT Cruces, brigadier general, MINFAR.
Jose Ramon BONACHEA Valdes, secretary general of the party PCC committee at the Uruguay Industrial Automation Center, Hatibonico.
Carlos BORROTO Nordelo, director of the bioplant center in Ciego de Avila.
Heriberto BOUZA Gonzalez, director of the Boyeros Agricultural Machinery Research Center.
Orestes BRAVO Martell, director of the Mario Munoz Industrial Automation Center in Los Arabos.
Mario CABELLO Marante, first secretary of the PCC Municipal Committee in Moa.
Ricardo CABRISAS Ruiz, minister of foreign trade.
Julio CAMACHO Aguilera, National Assembly of the People's Government [ANPP] official.
Tomas CARDENAS Garcia, first secretary of the PCC Provincial Committee in Villa Clara.
Hortencia CARDOZA Pereira, director, Liliana Dmitrova Agricultural Research Institute in Havana.
Jose Felipe CARNEADO Rodriguez, chief, PCC Central Committee Religious Affairs Department.
Amparo Zaida CARRIERA Montes, director of the Florida Children's Hospital.
Juan Domingo CARRIZO Estevez, dean of the Villa Clara Superior Institute for Medical Sciences.
Senen CASAS Regueiro, division general, vice minister of FAR.
Raul CASTELLANOS Lage, departmental chief, PCC Central Committee.
Barbara CASTILLO Cuesta, president of polygraph integration [integracion poligrafica].
Miriam Isabel COBAS Conte, chief professor of spanish and literature at the Elvira Cape Preuniversity Institute in La Maya.
Enrique COLLAZO Matos, colonel, chief of MININT political directorate.
Juan CONTINO Aslan, national president of the Jose Marti Pioneers Organization.
Sergio CORRIERI Hernandez, president of the Cuban Institute of Friendship with the Peoples.
Lissette Leliana CORTINA Garcia, methodologist (metodologa) at the Jose Marti Pioneers City, Havana.
Homero CRABB Valdes, minister of construction.
Jaime CROMBET Hernandez-Baquero, vice president of the Council of Ministers.
Eugenio CUEVAS Ibanez, first secretary of the PCC Municipal Committee in Palma Soriano.
Jorge CUEVAS Ramos, secretary general of the Union of Young Communists [UJC] committee at the University of Oriente.
Pedro CHAVEZ Gonzalez, president of the ANPP Provincial Assembly, City of Havana Province.
Faure CHOMON Mediavilla, Cuban ambassador to Ecuador.
Jorge Luis DE LA ROSA Hilario, first secretary of the UJC Provincial Committee, Havana.
Sergio DEL VALLE Jimenez, division general, MINFAR.
Manuel Eufrasio DELGADO Perez, member of the UJC national bureau.
Carlos DIAZ Barranco, first secretary of the PCC Municipal Committee, Camaguey.
Deisys Inocencia DIAZ Cabrera, lieutenant colonel, director of the Carlos J. Finlay Military Hospital.

Vladimir DIAZ Denis, family doctor in El Mulato, Guama, Santiago de Cuba.
Roberto DIAZ Sotolongo, president of the Matanzas Provincial Tribunal.
Adolfo DIAZ Suarez, vice president of the Council of Ministers.
Miguel Mario DIAZ Canel Bermudez, first secretary of the UJC Provincial Committee, Villa Clara.
Caridad del Rosario DIEGO Bello, director of the 9 de Abril Publishing House.
Rafael DOMINGUEZ Fernandez, first secretary of the PCC Municipal Committee, Manzanillo.
Gilberto DOMINGUEZ Gonzalez, member of the executive bureau of the PCC Provincial Committee, Holguin.
Carlos Pablo DOTRES Martinez, director of the William Soler Children's and Teaching Hospital.
Arabel ELIAS Iglesias, researcher at the Animal Science Institute, Havana.
Misael ENAMORADO Dager, director of the Paco Cabrera Metal Structures Enterprise, Las Tunas.
Reynaldo ENDIS Endis, president of the ANPP Provincial Assembly, Santiago de Cuba.
Alfredo ENRIQUEZ Espina, first secretary of the PCC Provincial Committee, Granma.
Juan ESCALONA Reguera, ANPP president.
Vilma ESPIN Guillois, president of the national directorate of the Cuban Women's Federation [FMC].
Ramon ESPINOSA Martin, division general, MINFAR, chief of the Eastern Army, hero of the Republic of Cuba.
Rafaela ESTRADA Nelson, head professor of biology at the Regino Boti Vocational Art School, Guantanamo.
Juan Pedro FEBLES Rodriguez, member of the executive bureau of the PCC Provincial Committee, Matanzas.
Jose Ramon FERNANDEZ Alvarez, vice president of the executive committee of the Council of Ministers.
Oscar FERNANDEZ Baez, chief of the Martires de la Cobre agricultural contingent, Havana.
Eladio FERNANDEZ Civico, colonel, MINFAR.
Carlos FERNANDEZ Gondin, division general, MININT.
Hortensia FERNANDEZ Rodriguez, director of the Cuba Nueve Cellulose Research and Production Union.
Julio Avelino FERNANDEZ Sanchez, president of the ANPP Provincial Assembly, Cardenas.
Rene FERNANDEZ Suarez, director Cuban Metal Enterprise, City of Havana.
Yolanda FERRER Gomez, secretary general of the FMC national directorate.
Humberto Omar FRANCIS Pardo, brigadier general, MININT.
Idalme Eumelia FROMETA Pons, deputy director of human resources at the Transportation Enterprise of the Ministry of the Sugar Industry, Camaguey.
Maria del Carmen GALLEGO Bosch, specialist at the Territorial Medicine Center in Puerto Padre, Las Tunas.
Luis GALVEZ Taupier, director of the Cuban Sugar Cane Byproducts Research Institute, ICIDCA, City of Havana.
Felipe GARCIA Arango, secretary general of the PCC committee at the Cienfuegos Refinery.
Ruben Servilio GARCIA Carballo, departmental head of the PCC Central Committee.
Teofilo GARCIA de la Cruz, director of the Dr. Ambrosio Brillo Clinical-Surgical Provincial and Teaching Hospital, Santiago de Cuba.
Roberto Fernando GARCIA Diaz, second secretary of the UJC national committee.
Rigoberto GARCIA Fernandez, division general, MINFAR.
Francisco GARCIA Ferrer, first secretary of the PCC Provincial Committee, Holguin.
Guillermo GARCIA Frias, commander of the revolution, president of the commission of the Sierra Maestra Great National Park.
Rodrigo GARCIA Leon, minister president of the State Finance Committee.
Teresita GARCIA Moruarte, first secretary of the UJC in City of Havana.
Luis Ignacio GOMEZ Gutierrez, minister of education.
Victor Manuel GONZALEZ Albear, Central Committee official.
Emilio GONZALEZ Farrat, first secretary of the PCC Municipal Committee, Isle of Youth.
Iran GONZALEZ Perez, member of the executive bureau of the PCC Provincial Committee, Havana.
Tania GONZALEZ Perez, director of the Dr. Salvador Allende Hospital, City of Havana.
Jose GONZALEZ Torres, vice minister of agricuture.
Rodolfo GONZALEZ Vega, first secretary of PCC Municipal Committee, Amacio Rodriguez.
Jacinto GRANDA de Laserna, director, GRANMA Newspaper.
Alfredo GUEVARA VAldes, leader at the ministry of culture.
Carlos GUTIERREZ Calzado, general director, National Scientific Research Center, City of Havana.
Carmen GUTIERREZ Cepero, member of the executive bureau of the PCC Provincial Committee, Cienfuegos.
Armando HART Davalos, minister of culture.
Ramon HERNANDEZ Fiffe, first secretary of the PCC Municipal Committee, Baracoa.
Neice HERNANDEZ Garcia, researcher at the Pasture and Fodder Experimental Station, Sancti Spiritus.
Ada Caridad HERNANDEZ Gutierrez, deputy director, Vocational Art School, Camaguey.
Digna Raquel HERNANDEZ Perez, research specialist, Rene Ramos Latour Enterprise, Holguin.
Melba HERNANDEZ Rodriguez del Rey, director of the PCC Central Committee Asian-Australian Studies Center.
Juan HERRERA Machado, minister of the sugar industry.
Alcibiades HIDALGO Basulto, first vice minister of foreign relations.
Arquimides IZQUIERDO Morgado, member of the executive bureau of the PCC Provincial Committee, Sancti Spiritus.

Alberto JUANTORENA Danger, vice president of the National Sports, Physical Education, and Recreation Institute.
Juan Mario JUNCO del Pino, chief of Brigade Number 25 of the Blas Roca Contingent, Havana.
Agustin LAGE Davila, director of the Molecular Immunology Center, City of Havana.
Eusebio LEAL Spengler, director, Havana City Museum and Havana City historian.
Victorino LEMUS Rivero, first secretary of the PCC Provincial Committee, Havana.
Jose Antonio LEYVA Garcia, chief of the Celia Sanchez Manduley Contingent, Granma.
Manuel de Jesus LIMONTA Vidal, director of the Center for Genetic Engineering and Biotechnology, Havana.
Francisco LINARES Calvo, minister president of the State Committee for Labor and Social Security.
Nestor LOPEZ Cuba, brigadier general, MINFAR.
Maria Elena LOPEZ Garcia, group chief for natural resources research for the Cuban Academy of Science, Santiago de Cuba.
Julian LOPEZ Hernandez, president of the ANPP Provincial Assembly, Las Tunas.
Alvaro LOPEZ Miera, colonel, MINFAR.
Wilfredo LOPEZ Rodriguez, second responsible of the commander in chief's coordination and support staff.
Orlando LUGO Fonte, president of the National Association of Small Farmers.
Dario MACHADO Rodriguez, director of the Center for Sociopolitical Opinion Studies of the PCC Central Committee.
Sonia MACHIN Fernandez, chief of the Comandante Pinares Dam-Building Brigade No. 3 in Pinar del Rio.
Isidoro MALMIERCA Peoli, foreign minister.
Jose MARRERO Camacho, first secretary of the PCC municipal committee in Los Palacios.
Juan Carlos MARTIN Munoz, shop chief of the loom area in Elio Tejeiro Textile Factory in Matanzas.
Conrado MARTINEZ Corona, president of the National Sports, Physical Education, and Recreation Institute.
Maria del Carmen MARTINEZ Montelier, department chief in Escambray Dairy Combine.
Ruben MARTINEZ Puente, MINFAR brigade general.
Maria del Carmen MARTINEZ Vazquez, Cuban Workers Federation [CTC] secretary general in Pinar del Rio Province.
Eugenio Luis MAYNEGRA Alvarez, department chief of the Central Committee.
Alexis MEJIAS Jomarron, chief of Hermanos Martinez Tamayo Contingent in Holguin.
Jorge Enrique MENDOZA Reboredo, president of the Cuban History Institute.
Manuel MENENDEZ Castellanos, secretary general of the National Union of Workers of the Chemical, Mining, and Energy Industries.
Iris MENENDEZ Perez, FMC second secretary in Villa Clara Province.
Raul MICHEL Vargas, first secretary of the PCC provincial committee in Guantanamo.
Jose Julian MILIAN Pino, MININT brigade general.
Pedro MIRET Prieto, vice president of the Councils of State and Ministers.
Jose MIYAR Barruecos, secretary of the Council of State.
Isabel MOINELO Hernandez, brigade chief of the Urban Roads Support Brigade of Group No. 1 in Havana.
Francisco MONTALVO Penalver, pilot of the Hermann ship of the National Shipping Enterprise.
Jesus MONTANE Oropesa, aide to the commander in chief.
Alfredo MORALES Cartaya, CTC secretary general in Havana City Province.
Jose A. NARANJO Morales, government minister and head of the Coordination and Support Staff of the commander in chief.
Sonia OLIVER Lopez, director of the Centro Habana Pediatric Hospital.
Anicia PARDO Lazo, director of the Experimental Citrus Fruit Station on the Isle of the Youth.
Evelio PAUSE Bello, a member of the executive bureau of the PCC provincial committee in Las Tunas.
Lina Olinda PEDRAZA Rodriguez, director of the Provincial Directorate of the National Bank of Cuba in Villa Clara.
Tomas PENA Osorio, first secretary of the PCC municipal committee in Contramaestre.
Pedro Miguel Asterio PEREZ Betancourt, MINFAR rear admiral.
Faustino PEREZ Hernandez, director of the Victoria de Giron Municipal Agricultural Enterprise in Matanzas.
Felipe Ramon PEREZ Roque, member of the Coordination and Support Staff of the commander in chief.
Pablo PEREZ Villavicencio, heater operator and brigade chief at the Panchito Gomez Toro Agroindustrial Complex.
Manuel PINEIRO Losada, official of the PCC Central Committee.
Marcos Javier PORTAL Leon, minister of basic industry.
Joaquin QUINTA Sola, MINFAR division general.
Fidel RAMOS Perera, first secretary of the PCC provincial committee in Pinar del Rio.
Fernando RAMIREZ de Estenoz Barciela, official of the Central Committee.
Miriam REYES Castillo, veterinarian at the El Colorado Livestock Ranch, Julio Antonio Mella Municipality.
Roberto Leon RICHARDS Aguiar, member of the Coordination and Support Staff of the commander in chief.
Eloy RIERA Nelson, MINFAR colonel.
Jorge RISQUET Valdes-Saldana, ANPP deputy.
Juan ROBINSON Agramonte, first secretary of the PCC municipal committee in Quivican.
Alejandro ROCA Iglesias, minister of the food industry.
Samuel RODILES Planas, MINFAR brigade general.
Humberto RODRIGUEZ Gonzalez, president of the municipal assembly of the people's government in Santa Clara.
Hector RODRIGUEZ Llompart, minister president of the National Bank of Cuba.

Antonio RODRIGUEZ Maurell, president of the Central Planning Board.
Adolfo RODRIGUEZ Nodals, director of the National Institute for Basic Research in Tropical Agriculture.
Bruno Eduardo RODRIGUEZ Parrilla, director of JUVENTUD REBELDE.
Orlando RODRIGUEZ Perez, chief of the Campana de Las Villa Contigent in Villa Clara.
Marcelino RODRIGUEZ Tejeda, director of the Fabric Aguilar Noriega Mechanical Plant Enterprise in Villa Clara.
Enrique ROMAN Hernandez, president of the Cuban Radio and Television Institute.
Antonio de Jesus ROMILLO Tarke, president of the Jose Antonio Echeverria Advanced Polytechnical Institute.
Lazaro Ricardo ROSA Corzo, first secretary of the PCC municipal committee in Ciro Redondo.
Edicto ROUSSEAUX Tellez, chief of Brigade No. 30 of the Blas Roca Calderio Contingent in Havana.
Jose A. RUIZ Campos, member of the executive bureau of the PCC provincial committee in Camaguey.
Alcides SAGARRA Caron, chief of the managers staff of the National Boxing Team.
Lena Margarita SARDA Noriega, president of the National Association of Innovators and Efficiency Experts [ANIR] in Havana City Province.
Rosa Elena SIMEON Negrin, president of the Cuban Academy of Sciences.
Jose A. SOLAR Hernandez, MINFAR colonel.
Rafael SOLER Deschapells, director of the Budget and Investment Unit at the Juragua Nuclear Power Plant.
Lionel SOTO Prieto, vice president of the Council of Ministers.
Romarico Vidal SOTOMAYOR Garcia, MININT division general.
Francisco SUAREZ Diaz, president of the Amistad Cuba-Paises Nordicos Agricultural-Livestock Cooperative in Havana.
Lidia TABLADA Romero, director of the National Center for Animal Health in Havana.
Gumersindo TASSE de Moya, chapistero carrocero at the Palma Soriano Bus Rebuilding Factory.
Julio TEJA Perez, minister of public health.
Eduardo TEJERA Martinez, first secretary of the PCC municipal committee in San Miguel del Padron.
Ramiro VALDES Menendez, commander of the revolution, president of the COPEXTEL Combine.
Salvador VALDES Mesa, CTC second secretary, president of the organizing commission for the congress of the Union of Agricultural and Forestry Workers.
Jorge VALDES Rodriguez, first secretary of the PCC provincial committee in Sancti Spiritus.
Placido VALDES Valdes, chief of the maintenance brigade at the sparkplug factory in Sagua la Grande.
Lazaro VAZQUEZ Garcia, first secretary of the PCC provincial committee in Camaguey.
Arturo VAZQUEZ Hernandez, first secretary of the UJC provincial committee in Granma.
Fernando VECINO Alegret, minister of higher education.
Armando VELAZQUEZ Perez, chief of the Basic Production Unit at the Municipal Agricultural Enterprise in Yateras.
Manuel VILA Cruz, first secretary of the PCC municipal committee in Caibarien.

Draft Resolution To End U.S. Embargo Revised

FL0811143591 Havana Tele Rebelde Network in Spanish 1200 GMT 8 Nov 91

[Text] Cuba has reiterated, in the United Nations, the need to end the U.S. embargo and demanded that obstacles that prevent third countries from trading with Cuba be eliminated. A revision to the Cuban draft resolution, addressed to the UN General Assembly and distributed among the Latin American representatives at the United Nation, asks the international community for cooperation to eliminate the consequences of this policy. The document notes a UN resolution approved in 1965 which states that interference in the internal affairs of states is unacceptable.

Soviet Mission To Discuss Troop Pullout

PA1311015491 Hamburg DPA in Spanish 2109 GMT 12 Nov 91

[Text] Havana, 12 Nov (DPA)—Vyacheslav Ustinov, who is heading an official delegation to negotiate with the Cuban Government the Soviet troop pullout from the island, will arrive here tomorrow, local diplomatic sources reported today.

The delegation, composed of officers and diplomats, left Moscow today, a source for the Soviet Embassy consulted by the German DPA press agency has announced.

According to the report, the mission leader will discuss the order and timeframe for the pullout of a Soviet combat brigade composed of 3,000 troops. The brigade's withdrawal was announced unilaterally by President Mikhail Gorbachev during the visit by U.S. Secretary of State James Baker to Moscow last September. The announcement was interpreted by Cuba as a concession by the Soviet Union to pressures by Washington.

"The Soviet soldiers in Cuba do not have any special weapons and are engaged in training the Cubans," Ustinov told the Soviet news agency INTERFAX in statements learned here today. He added that the brigade did not play a strategic role and that its pullout from the island was due to Moscow's wish to put an end to the Soviet military presence outside of its borders.

The Cuban Government has said on several occasions that it is willing to accept the Soviet military pullout provided that the U.S. troops on Guantanamo Naval Base in the island's easternmost part leave at the same time. It has also said that the "unilateral, unconditional, and unconsulted decision of the USSR is tantamount to giving a green light to the United States in its plans of aggression against Cuba."

The Soviet Government, however, has refused to establish any connection between the withdrawal of its combat brigade and a possible U.S. pullout from Guantanamo.

Betancourt Welcomes Soviet Military Delegation

FL1111144991 Havana Tele Rebelde Network in Spanish 1200 GMT 11 Nov 91

[Text] An official Soviet military delegation, invited by the Ministry of the Revolutionary Armed Forces [FAR], has arrived in Cuba. The delegation is headed by Fleet Admiral Vladimir Nikolayvich Chernavin, deputy minister of defense, and commander in chief of the Soviet Navy.

Upon arriving at the Jose Marti International Airport, the delegation was met was by Rear Admiral Pedro Perez Betancourt, chief of the Cuban Revolutionary Navy and other FAR generals, commanders, and officials. Soviet specialists and members of the diplomatic community accredited in Cuba were also present.

During their stay, the delegation will visit politically and socially important sites as well as discussing topics of mutual interest.

Talks Held

PA1211142191 Mexico City NOTIMEX in Spanish 0155 GMT 12 Nov 91

[Text] Havana, 11 Nov (NOTIMEX)—High-ranking officials of the Cuban and Soviet Armed Forces began bilateral topical conversations here on 11 November, military sources reported.

Sources close to the Cuban Government stated that the military delegations will not negotiate the pullout of the special Soviet brigade that has been stationed on Cuban territory for the last 29 years.

Last September, Soviet President Mikhail Gorbachev announced the pullout of his troops in Cuba and affirmed that relations between Moscow and Havana will be established in accordance with the new world situation, avoiding elements inherited from past eras.

Deputy Foreign Minister Valeriy Nikolayenko spoke with Cuban military authorities shortly thereafter, on the island. He departed for his country promising that the Soviet troop pullout would be completed before the end of the year.

The government of Fidel Castro believes the decision was made unilaterally, unconditionally, and without consultation, and proposed a negotiation for the simultaneous pullout of the Soviet brigade and the U.S. naval base at Guantanamo, both of which are on Cuban territory.

According to the sources consulted by NOTIMEX, this issue was not to be negotiated. Several diplomats, however, have not ruled out the possibility that military officials of the two nations may discuss the issue.

Vladimir Chernavin, commander in chief of the Soviet fleet, and Ulises Rosales del Toro, the first vice minister of the Revolutionary Armed Forces, lead the delegations.

Grigoriy Bessmertny, the Defense Ministry's chief military adviser, and Nikolay Kolodin, the Soviet Army, Navy, and Air Force attache in Havana, make up the Soviet delegation.

Delegation Meets FAR Officers

FL1211180991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 12 Nov 91

[Text] Soviet and Cuban military delegations held official talks today at the Ministry of the Revolutionary Armed Forces [MINFAR] headquarters. The talks were presided over by Fleet Admiral Vladimir Nikolayvich Chernavin, deputy defense minister and commander in chief of the Soviet fleet, and Division General Ulises Rosales del Toro, first vice MINFAR minister and chief of the general staff. During the talks, which were held in a friendly and open atmosphere, the delegates broached matters of general interest. Colonel General Grigoriy Bessmertny, chief military adviser for the MINFAR; Col. Nikolay Kolodin, Soviet military, naval, and air force attache in Cuba; Rear Admiral Pedro Perez Betancourt, chief of the Cuban Revolutionary Navy; and Brigadier General Ruben Martinez Puente, chief of the Antiaircraft Defense and Revolutionary Air Force; and other FAR officers, also attended the meeting.

'Exclusivo' Commentary Censures U.S. Pressures

FL0811231791 Havana Radio Rebelde Network in Spanish 0018 GMT 8 Nov 91

[Commentary by Lazaro Barredo: "The U.S. Blockade Against Cuba Is a Witch Hunt," on the "Exclusivo" program]

[Text] Cuba has always been open to dialogue, but nobody with any self-respect can nowadays fulfill that religious command to turn the other cheek, to be slapped again and again. Yet the United States, in its recurrent and frenetic attacks, refuses to learn from history; its anti-Cuban position does nothing more than signal its internal collapse.

With this attitude of superiority, in violation of the most basic rules of international law, it directs its pressures towards sustaining the embargo, which it believes is its ace in the hole. Its policy, however, is more like the dog in the manger, which will not eat, yet prevents anyone else from eating either. Many people are beginning to realize that if they take this policy seriously, they will not get any food.

Some are astounded by the way the U.S. press, with so much material for refuting its government's claims, and always hungry for a scoop, contradictorily shows no interest in exposing its government's interference in the internal affairs of other governments and in the free enterprise system. But we should not be surprised. During the recent congress of the Federation of Latin American Journalists, FELAP, this issue was thoroughly discussed, and it became clear that in the United States, the media and the politicians are involved in a very sensual honeymoon.

This is the only way to explain why there have been no reports on the actions of U.S. officials and diplomats who, in several Latin American countries, met with executives of local companies operating with U.S. capital, to warn them that Washington does not want them dealing with Cuba, or developing any ties with Cuban entities or persons residing in Cuba. These executives have also been advised that if they ignore this request, Washington would cancel their visas to travel to the United States and would block all commercial and financial transactions of their companies on U.S. territory.

The most intense efforts have been directed lately toward preventing Cuba from gaining access to oil markets. The U.S. Department of State, through its embassies and other channels, has been pressuring private companies in Mexico, Venezuela, and Ecuador to obstruct any Cuban oil purchases with favorable terms. Toward the end of last year, for example, during meetings in Ecuador to renegotiate its foreign debt, U.S. Government representatives and American officials from the IMF and the World Bank, displayed great interest in trade and economic cooperation with Cuba, including whether there were any type of financing or loans on the part of Ecuadoran banks or financial entities, and on the prospects for trade relations with Cuba. They were particularly interested in the details and characteristics of the oil deals Ecuador made with Cuba, and in the possible direct involvement of Petroecuador.

U.S. Embassy officials in Quito also approached Ecuadoran businessman Jose Penafiel, president of the private Totisa company, to inquire about alleged shipments of oil to Cuba by Tricentrol Oil Trading SA, a subsidiary of Tricentrol Oil Trading Inc., an American company in which Mr. Penafiel owns stock. Penafiel explained to them that the deals are being transacted through Totisa, which, because of its status as a private company, is allowed to carry out business without restriction. According to Penafiel, similar inquiries were made at the main office in the United States and at the Ecuadoran Foreign Ministry. According to information I acquired from the Cuban Foreign Trade Ministry, Tricentrol Oil Trading SA of Ecuador is one of the subsidiaries doing business with Cuba out of Ecuador under a license granted by the U.S. Treasury Department.

Given the development potential of Cuba's tourism policy, pressures have also been exerted regarding air transportation to prevent access to Cuba. President of the [name indistinct] airline of Brazil announced at mid-year that when he had the idea of doing business with Cuba, he was warned by the U.S. Embassy that if he did so, his company could find itself subject to restrictions on its flights to major U.S. cities. It has likewise been verified that pressure has been applied by the U.S. Embassy in Panama on the Dutch company, Servicio de Transporte y Carga Aerea SA, Setraca, which had contracted to provide services to Cubana de Aviacion as an agent [words indistinct] in Panama. Setraca was on the list of companies described as Cuban national, in quotes, by the Office to Monitor Foreign Property of the U.S. Treasury Department. Thus, it was even liable to embargo by U.S. authorities.

Another example of this type of interference is the pressure exerted on Argentina. The Havana-Buenos Aires charter flights requested by Cuba for the tourist season were reanalyzed following U.S. pressure to prevent a flow of tourists to Cuba. From the information I gathered from Cuban institutions, I learned that the United States has also pressured foreign tour operators to limit the flow of tourists to Cuba, primarily those from Spain, Italy, Germany, and Canada. According to this data, there has even been an attempt to influence the Spanish Embassy and trade office in Havana to take measures to reduce the growing wave of Spanish tourists entering Cuba.

Another form of boycott is that against tour operators in Jamaica. These agencies are the target of a U.S. campaign to discredit them by stressing the high Jamaican crime rate, in an effort to discourage American tourism there. This campaign coincides with an increase in the activity of these Jamaican agencies in the Cuban tourist market, and with the introduction of new options in the form of tourism packages which are being used by American tourists to flout the embargo and travel to Cuba.

There are many more examples of how the current U.S. Administration is lobbying to hinder Cuban access to markets and development opportunities. But we will talk about that tomorrow.

Commentary: U.S. Thwarting Fuel Supply Efforts

PA1311041791 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Nov 91

[Commentary by Roberto Morejon]

[Text] White House strategists know the importance of Cuba's fuel supplies from the Soviet Union, considering the lack of our own energy sources. U.S. officials, with or without diplomatic status, have attempted to obstruct Cuba's efforts to solve its Soviet oil deficit problem. Cuban journalist Lazaro Barrera Medina, who has access

to information from local organizations that have ties abroad, discovered details about the frenzied anti-Cuban maneuvers.

U.S. embassies have a mission to closely follow any Cuban contact with Mexican, Venezuelan, and Ecuadoran private enterprises to prevent the Caribbean island from purchasing fuel in those oil-producing countries. U.S. authorities have increased their efforts in Ecuador, where they dared contact Ecuadoran businessman Jose Penafiel, chairman of the private company Totisa, to inquire about alleged oil shipments to Cuba through Tricentrol Oil Trading, Incorporated, a U.S. subsidiary in which Penafiel is a shareholder.

Washington's attraction to Ecuador, in search of obstacles to prevent possible transactions with Cuba, has reached the point where World Bank and IMF employees are being used to investigate trade and economic cooperation with the Caribbean nation. These maneuvers are designed to paralyze the Cuban econmy by depriving it of its main energy source, causing the deterioration of the population's quality of life.

Behind the euphemism about an alleged interest in restoring democracy in Cuba there lies a cruel policy that overlooks Cuba's efforts to subsist with even more limited fuel supplies.

Energy Controls Imposed on State Enterprises

FL1211222591 Havana Radio Reloj Network in Spanish 2042 GMT 12 Nov 91

[Text] Degrees of regulation on electric consumption will be imposed today on state enterprises as a result of the low generating capacity caused by lack of fuel at the thermoelectric plants, 10 de Octubre in Nuevitas, and Carlos Manuel de Cespedes in Cienfuegos, and due to a break in the water supply at the (Larente) plant in Santiago de Cuba. The regulation will be implemented between 2300 and 0200 GMT in the provinces of Villa Clara, Sancti Spiritus, Cienfuegos, Ciego de Avila, Camaguey, Las Tunas, Holguin, Granma, Santiago de Cuba, and Guantanamo.

To comply with the regulation, all state services included in the degrees of regulation D-1 to D-5, with an electric demand higher than 500 kw, should reduce their consumption to the determined levels. The Electric Union calls on all other state and private consumers to increase saving measures today to avoid interruptions in electric service to the population.

Havana Notes UN Humanitarian Aid Debate

PA0811234591 Havana Radio Havana Cuba in Spanish 0000 GMT 7 Nov 91

[Text] UN humanitarian aid has been the subject of debate within that organization during the past few hours. In that regard, Uruguayan representative William Ehlers said:

[Begin Ehlers recording] Although each of us could present a long list of situations considered humanitarian emergencies, the international community has not yet determined what should be the scope of an emergency situation to deserve the attention of the international community as a whole.

We have recently provided assistance in situations of both natural and political origin, some of which have received wide publicity, while others have gone almost unnoticed. [end recording]

Ehlers noted that the main responsibility for helping the victims and eventually requesting international aid in all cases falls on the affected countries.

Meanwhile, Cuban representative Carlos Fernandez de Cosio stressed the need to clearly establish the meaning of emergency humanitarian aid.

[Begin Fernandez de Cosio recording] Cuba joins others in voicing its rejection of any attempt to influence or cover up with this term a current aimed at defending an alleged right to meddle in the internal affairs of states. We also reject the idea of adding to the emergencies recognized by the United Nations others of a political nature that could pave the way for interventionist, arbitrary, and unilateral interpretations. [end recording]

Finally, Fernandez de Cosio stressed that underdevelopment is the main cause of the vulnerability of developing countries to the effects of natural disasters. He added that any effort to strengthen the coordination of UN humanitarian emergency aid should take this into consideration so that the assistance can be really effective.

Union Meeting Addresses Foreign Debt, Trade

FL0811150291 Havana Radio Rebelde Network in Spanish 1000 GMT 8 Nov 91

[Text] The solution to the foreign debt problem and unequal trade are primary issues on the agenda of a Latin American and Caribbean labor unions meeting for the workers rights and liberties in face of neoliberalism, which has begun in Havana. Pedro Ross Leal, member of the politburo of the Communist Party of Cuba and secretary general of the Cuban Workers Federation, spoke at the opening session. Ross stated that among the issues on the agenda are the eradication of protectionism, practiced by the rich countries, and the defense of a development policy that will solve the people's needs.

* Scientific Communities Under Construction

92P40048A Havana JUVENTUD REBELDE in Spanish 20 Oct 91 p 2

[Text] Communities associated with scientific-industrial centers, where specialists in charge of the country's priority programs will live, are becoming a reality in the capital. The project is being promoted by the Union of Housing Construction Enterprises (UECV).

One of these complexes is under construction in Santiago de las Vegas and will be used by men and women of the National Center for the Production of Laboratory Animals (Cenpalab).

A day-care center with capacity for 80 children will be completed there in the near future. It will form part of the community where 15 buildings will be constructed using the IMS [Serbian Materials Institute] prefabricated construction system. The buildings will have five floors and 245 apartments.

These community projects, which are unprecedented in the country, are being directed by EMPROY number 6 [not further identified]; the architectural designs used were derived from the experience with the Pan American Village.

The first stage of the timetable calls for completion by the first quarter of 1992 of three buildings with 49 apartments, a commercial center, an elevated water tank with a capacity of 200 cubic meters, a collection cistern, and technical and road networks. This will ensure that the site will soon be livable.

The buildings will have pitched roofs with indigenous tiles. The exteriors and interiors will be overlaid with ceramic strips which will provide greater comfort and make them more attractive. Gardens, plants, and play areas for the children are being planned for the exterior.

The design for the layout of the buildings calls for 5 modules containing 49 apartments. In this case, the commercial or service centers will not be located on the lower floors of the buildings as is done elsewhere; rather, they will be separated and will include drug stores, cafeterias, general stores, hair salons, video rooms, barber shops, multipurpose rooms, and bookstores.

The other center to be used for the biotechnology and pharmaceutical industry programs will be located in the eastern part of the capital. The first steps in the startup [of the project] occurred here. Two buildings—one with 18 floors and 71 apartments, the other with 13 floors and 52 apartments—have already been completed.

A 14-floor building is now being completed; another similar building and an 18-floor building are also under construction. Specialists of EMPROY number 6 are working on new projects in an effort to adapt them so as to build low-rise buildings here as well. Studies indicated there would be space to build 1,700 apartments in the area in the future.

There are also plans under way for 500 apartments of the new style: three-, four- and five-story [buildings] using IMS and SP-86 technology.

* New Youth Recreation Center Opens in Havana

92P40050A

[Editorial Report] The 5 October issue of Havana GRANMA in Spanish and the 7 October issue of Havana TRIBUNA DE LA HABANA in Spanish report on pages 2 and 4, respectively, that a new recreation center for young people, the Hola-Ola, has opened in Havana. The center is part of Project Malecon, a refurbishing effort promoted by the Young Communists Union (UJC), and features a skating rink; a discoteque; an amphitheater; miniature golf facilities; a kiosk-cafeteria selling hamburgers, pastries, and beverages; and a tree-shaded area where young people can meet and chat. The Hola-Ola will be open daily, except Thursdays, 1100 to 1600 and 1800-2400. The center will also have a psychologist on staff who will offer individual consultations, and present courses on topics of interest to youth. In addition to the Hola-Ola there are a number of other recreation facilities for youth in this section of Havana.

Dominican Republic

Haitians Arrested, Imprisoned at Border

FL1311005691 Barahona Dominican Republic Radio Enriquillo in Creole 1100 GMT 12 Nov 91

[Text] On 11 November, the situation in Dajabon was still very serious. Our correspondent has the following report:

[Begin recording] As of today, the situation in Dajabon is about the same. Strong measures have been taken to reinforce the border, where Haitian citizens can cross from Quanaminthe in northern Haiti into the Dominican Republic at Dajabon. The minute a Haitian is found, he is arrested by Dominican authorities. On Tuesday afternoon, 5 November, many Haitians were detained in the Dajabon prison. After we mentioned the situation to the international press, a UN mission was assembled to visit the prison. When we went there on Thursday, 7 November, we were told that all those arrested had been released or deported to Haiti. We learned later that day that this was not true.

The detained Haitians actually were transferred to a different prison, called (Pantanillo). It appears that when the border prison becomes overcrowded with our Haitian compatriots who are escaping the repression of the Cedras government, they are transferred to a different location.

We believe that this method is being used by the Dominican Republic to acquire the workers it needs for the sugarcane season, because today the Dominican authorities announced that they will not be importing sugarcane cutters from Haiti. The Dominicans know that they will find enough young men to cut cane inexpensively because these people will do anything to escape the criminal, murderous regime established by Cedras and the military. We cannot judge exactly how many prisoners are in the Dajabon prison. We believe that there are several hundred, however, but we could not confirm this because we were not able to enter the prison. Our guess is based only on what we observed in the prison courtyard. [end recording]

* Government Revenues Increase 45 Percent

92CA0018A Santo Domingo EL SIGLO in Spanish 1 Oct. 91 p. 1-D

[Article by Victor Manuel Tejada]

[Text] Government revenues increased by almost 2 billion pesos—44.59 percent—between the beginning of January and the end of August 1991, compared to the same period of 1990. This was due principally to an increase in revenues coming from the Bureau of Customs.

In effect, between January and August 1991 the government collected 6,440.7 million pesos, compared to 4,454.3 million pesos during the same period of 1990. This occurred, and it appears that it will happen again, because when the budget was implemented, collections substantially exceeded what the executive branch of the government had estimated and what Congress approved.

The key to the increase in government revenues in the course of 1991—despite the deep recession affecting the economy and all activities—was the notable increase in revenues from customs duties. In this connection this development can be attributed to the success which customs reform has had.

The reform, which was enacted by Decree 339-90, effective as of the end of August 1990, applies import duties on many products which were previously exempt from duty. In addition, the rate of exchange was increased for the payment of the foreign exchange surcharge.

The effect of the reform on government tax collections is clearly seen, for example, when consideration is given to the fact that during the period from January through August 1991 the Bureau of Customs recorded monthly collections of 320.8 million pesos. During the same period of 1990 the monthly average collection was 211.9 million pesos.

In absolute terms the Bureau of Customs contributed 2,566.6 million pesos to the Treasury during the period of 1991 under consideration. This amounts to a difference of 871.4 million pesos—or 51.4 percent—compared to the 1,695.2 million pesos collected during the same period of 1990.

Despite the fall in the real purchasing power of people's income—the result of inflation—income tax collections also increased to a considerable extent between 1990 and 1991.

During the period from January through August 1991 income tax collections amounted to 2,241.0 million pesos—a monthly average of 280.1 million pesos. This amounted to an increase of 717.6 million pesos, compared to the 1,523.4 million pesos—a monthly average of 190.4 million pesos—collected during the same period of 1990.

Regarding internal taxes, the difference was not as great as it was in the case of the other government tax collection offices.

During the period from January through August 1991 the Office of Internal Taxes collected 1,007.0 million pesos—a monthly average of 125.8 million pesos. During the same period of 1990 collections amounted to 811.2 million pesos—a monthly average of 101.4 million pesos. The difference between tax collections during the two years was 195.8 million pesos.

Regarding external resources collected by the government during the same period of the two years, the difference was barely 12 million pesos, increasing from 131.6 million pesos in 1990 to 143.6 million pesos in 1991.

In August 1991 the ordinary revenues of the government amounted to 861.1 million pesos, or 99.5 million pesos less than the amount collected in July 1991, when collections rose to 960.6 million pesos, the highest level so far during the year.

Of this total the Bureau of Customs collected 393.3 million pesos, its highest level in 1991, whereas the Office of Income Tax collected 209.1 million pesos, and the Office of Internal Taxes collected 162.6 million pesos.

During the same period of time the National Lottery provided 10 million pesos in government income, and "other" sources of income brought in 79.9 million pesos.

* Crop Losses Exceed 600 Million Pesos

92CA0018B Santo Domingo EL SIGLO in Spanish 8 Oct 91 p 4D

[Article by Jose Javier]

[Excerpt] Total losses in the agricultural sector as a whole, as a result of the drought which affected the country during the second quarter of 1991, amounted to more than 600 million pesos.

This was stated by members of the Economic Research Unit of the Department of Economy of the Autonomous University of Santo Domingo (UASD) at a presentation conducted on 4 October in the professors' meeting room of the Faculty of Economic and Social Sciences of the university.

In presenting the second quarterly report on the economic situation in 1991 they stated that during the period from May to August the objective of 3.0 million tareas scheduled to be planted to different crops was not met.

They pointed out that, on the contrary, due to a lack of credit and adverse factors such as the drought which affected the country during the period, 310,000 plots of land were not planted at all, while crops planted on

270,000 plots of land were totally lost. Production on 1.6 million plots of land was partially affected.

During the period from May to August 1991 those losses were valued at nearly 400 million pesos. This does not include the livestock sub sector, where the loss was more than 200 million pesos, they explained.

They stated that during the period under review a total of 137,000 quintals of red beans were harvested. This is considered below the level of consumption for this period, which is 387,000 quintals. That is, there was an overall shortfall of 250,000 quintals.

They said that during the first quarter of 1991 the production of corn was 74 percent of what was scheduled. During the second quarter of 1991 production declined. It was planned to produce 584,000 quintals of corn, whereas 382,000 quintals were produced.

Other agricultural sub sectors which had problems during the second quarter of 1991 included garlic, onions, and bananas, they said. They explained that the decline in production was due to the drought and the lack of financing. [passage omitted]

* Sugar Production to Total 450,000 Tons

92CA0018C Santo Domingo LISTIN DIARIO in Spanish 17 Oct 91 p 2

[Excerpt] San Pedro de Macoris—The executive director of the State Sugar Council (CEA) announced in San Pedro de Macoris on 17 October that during the forthcoming sugar harvest, scheduled to begin in December 1991, production is expected to amount to 450,000 tons of sugar, due to the fact that greater efficiency will be achieved in the sugar mills.

Juan Arturo Biaggi stated that to achieve this goal, repairs have been completed and are under way in the sugar factories and principally in the mills. Other repair work has been completed in the field, especially railroads and roads reaching into the cane growing areas.

He said that during the forthcoming sugar harvest, which is scheduled to begin on 1 December, it has been estimated that 4.5 million tons of sugar cane will be produced. He stated that, in general terms, sugar cane fields which come under the CEA and its affiliated growers are in good condition. [passage omitted]

Haiti

Balaguer Denies Any Diplomatic Representation

FL1311001791 Port-au-Prince Radio Galaxie in Creole 1100 GMT 12 Nov 91

[Text] A crisis situation has been in effect in the Dominican Republic's Haitian Embassy ever since the assumption of power by the government of Jean-Jacques Honorat. The Haitian provisional government refuses to acknowledge Professor Guy Alexandre as ambassador, and responds only to correspondence signed by Jean-Marie Jostagne. The details of this conflict in the Dominican Republic's Haitian Embassy will be covered by Harry Joseph.

[Begin Joseph recording] A conflict erupted in the Haitian Embassy in Santo Domingo over two weeks ago, when Honorat's government stated it would no longer acknowledge Professor Guy Alexandre as the Haitian ambassador in the Dominican Republic, and would validate only documents signed by Jostagne who was appointed charge d'affaires on 7 February, and who had become minister counsellor after Alexandre was installed as ambassador.

The ambassador presented to the embassy security police a list of people—including Jostagne—who were to be denied entrance to the embassy. Jostagne and other employees whose names appeared on the list subsequently opened a second embassy located three buildings away from the original embassy. Since then, the two diplomats have been exchanging words through the press.

In a news conference, Ambassador Alexandre accused Jostagne of betrayal because, he says, Jostagne is supporting an illegal government led by Honorat and the military putschists. Jostagne said, also in a news conference, that he admitted having been appointed charge d'affaires by the Aristide government, but that he never approved of the way the Aristide government was going, especially after the last statements made by the former president. He was appointed charge d'affaires because he is the brother-in-law of Gladys Lauture who was an attendant at the National Palace and a very close friend of Father Aristide.

Thus, press statements follow press statements. The problem appears to be an internal one.

Since then the embassy headed by Professor Guy Alexandre has been issuing courtesy visas free to anyone who would like to visit Haiti, whereas previously, the visas were sold as follows: first request for simple visas, U.S. $40; second request for simple visas, U.S. $20; multiple visas for one to two months, U.S. $60; multiple visas for three to six months, U.S. $150; and one-year visas, U.S. $300. The second embassy, headed by Jostagne, is still charging for visas because the Haitian Government refuses to acknowledge visas issued by Alexandre. Only those with visas issued by Jostagne can enter Haiti.

Answering a journalist's question as to which of the two embassies he acknowledges, President Joaquin Balaguer, on 7 November, while visiting the city of Hate Major for the inauguration of an industrial park, stated that to him there is no conflict, that it is merely a private problem between two Haitian citizens. As he does not acknowledge the current Haitian Government while Father Aristide's government is in exile, no government exists. He therefore acknowledges no Haitian diplomatic representation in the Dominican Republic. His own government does not care that some Haitian citizen wish to be

regarded as Haitian charge d'affaires, so long as the problems that are overwhelming that country are not resolved. If these conflicts exist, they only exist in the press. They do not exist on the diplomatic or international level. [end recording]

OAS Leader Optimistic on Crisis Solution

FL1211225891 Port-au-Prince Radio Galaxie in Creole 1100 GMT 12 Nov 91

[Text] President of the OAS delegation that arrived in Port-au- Prince on 10 November, Augusto Ramirez Ocampo, said yesterday in the capital that he is very optimistic about a solution to the Haitian crisis. Speaking with journalists at Villa d'Accueil, where negotiations are underway between the OAS delegation and civilian, military, and church officials in Haiti, Ramirez Ocampo said: I am constitutionally an optimist. Referring to the demonstration opposing overthrown President Aristide and the OAS-imposed embargo, which greeted the OAS delegation at the Port-au-Prince International Airport on 10 November, Ocampa said: I am aware of the demonstration that occurred in Port-au-Prince on Sunday, but there are others who would like to demonstrate, but are prevented from doing so.

Military Prevents Pro-Aristide Demonstration

FL1211220591 Port-au-Prince Radio Tropic in French 1700 GMT 12 Nov 91

[Text] According to our on-site reporter, the demonstration in support of the return of Father Aristide, planned by students for this morning at 1500 GMT at the Faculty of Sciences, has not been staged. The military, maintaining an unflagging presence in the area, controls the faculty while several persons, answering the call of the students, are sequestered inside the building. Nobody in the area is allowed to move. Total panic prevails. According to our correspondent, several arrests have been made.

Pro-Aristide Supporters in Gonaives Arrested

FL1211223591 Port-au-Prince Radio Tropic in French 1630 GMT 12 Nov 91

[Text] A demonstration supporting the return of President Aristide was held on 11 November in Gonaives. Several hundred demonstrators were dispersed by blows from the military, who also arrested many protesters.

Soldiers Kill 3 Demonstrators at University

FL1311115391 Bonaire Trans World Radio in English 1130 GMT 13 Nov 91

[Text] Students were demonstrating at the University of Haiti in Port-au-Prince yesterday chanting for the return of President Jean-Bertrand Aristide. Suddenly, soldiers arrived in trucks shooting tear gas and machine guns into the crowd. Three people were killed. Other students were arrested and beaten with nightsticks.

In another part of the capital, supporters of the military regime demonstrated against the OAS and their negotiating team and had to be protected by soldiers.

Anti-Embargo Demonstration Continues

FL1311011891 Port-au-Prince Radio Galaxie in French 1800 GMT 12 Nov 91

[Text] Another demonstration protesting the embargo imposed by the OAS against Haiti is being held in front of the Hotel Montana. Guilloto Francois has the following report:

[Francois] Good afternoon, everyone. A demonstration began today at 1700 GMT in front of the Hotel Montana, where members of the OAS delegation who arrived in Haiti to negotiate a solution to the current crisis are staying.

The demonstrators are waving posters that read: Down with Aristide; down with embargo. They are also chanting slogans hostile to the former president and to the members of his cabinet, especially Prime Minister Rene Preval: Democracy, yes! Aristide, no! These are the words, among others, chanted by the demonstrators, who are demanding the unconditional removal of the embargo ordered by the OAS against Haiti.

Many political leaders met with the OAS mission this morning. Two of them, Rene Theodore and Marc Bazin, were warmly applauded by the demonstrators.

Preval Expresses Support for French Envoy

FL1211211791 Port-au-Prince Radio Tropic in French 1700 GMT 11 Nov 91

[Text] Deposed Prime Minister Rene Preval extends his support to the French ambassador following demands by the provisional government, in a letter dated 8 November, that the French Government recall Ambassador Jean-Raphael Dufour. A copy of this letter, addressed to French Foreign Affairs Minister Roland Dumas, was faxed to our newsroom.

Prime Minister Preval formally responds by expressing his satisfaction with relations between the 16 December government and France as represented by Ambassador Dufour. Preval states that while grateful for the courageous attitude of the French Government during the Haitian crisis, he will continue to cooperate with the French representative. He asks Minister of Foreign Affairs Dumas to disregard all intervention and correspondence initiated by the provisional government.

Demonstration Staged at Home of French Envoy

FL1211205191 Port-au-Prince Radio Tropic in French 1700 GMT 11 Nov 91

[Text] The car carrying the French ambassador to Haiti, as well as an escort vehicle, were shaken on the night of

Saturday, 9 November in Port-au-Prince by demonstrators, while the cars were attempting to enter the diplomat's residence. Several hundred people, hostile to overthrown President Jean-Bertrand Aristide, had demonstrated without incident until dark in front of the home of Jean-Raphael Dufour. The demonstrators were assembled in support of the Haitian provisional government which had demanded on Friday, 9 November that the French Government recall its ambassador from Haiti.

Water, Power Cut at Envoy's Home

FL1211200491 Port-au-Prince Radio Tropic in French 1700 GMT 12 Nov 91

[Text] According to a diplomatic source, water, power, and telephone services have been cut off at Manoir des Lauriers, the residence of the French ambassador to Haiti.

MIDH Petition Against Embargo, Foreign Forces

FL1211202391 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Nov 91

[Excerpt] Marc Bazin, leader of the Movement for the Establishment of Democracy in Haiti [MIDH], has said that his party strongly supports the demonstrations being staged in the country against the embargo the OAS has ordered on Haiti. Bazin believes the embargo is shameful and it is aimed at harassing and strangling the Haitian people. Bazin advises that the MIDH is circulating a petition to collect signatures from Haitians who are against the embargo and the intervention of foreign forces in the country. The MIDH leader urges the other political parties and social and professional organizations to participate in this movement. [passage omitted]

AJH Protests Press Gag, Violations, Arrests

FL1211200591 Port-au-Prince Radio Tropic in French 1700 GMT 12 Nov 91

[Text] The Association of Haitian Journalists [AJH] protests the gag put on the press. The AJH protests against the wave of violations that have occurred since the 30 September coup. On that day a gag was put on the great press. Some radio studios and transmitters have been machine gunned and ransacked. For this reason, journalists have taken to the bush.

In a press release that we received this morning, the AJH calls on the military authorities of the country to put an immediate stop to the persecution of journalists and demands the unconditional release of the reporters, journalists, and press correspondents. The AJH has also condemned the mistreatments inflicted on journalists covering demonstrations being staged in Gonaives, Bel-Air, and at the airport area.

Reporter Arrested in Grand Goave; Reason Unknown

FL1211212891 Port-au-Prince Radio Tropic in French 1700 GMT 11 Nov 91

[Excerpt] Radio Antilles correspondent in Grand Goave, Paul Jean Mario, was arrested on Saturday, 9 November, in a private home by seven armed civilians and one uniformed policeman. The reason for this arrest is still unknown.

It is to be recalled that the home of Paul Jean Mario was burnt in Grand Goave folloiwng the 30 Sepember coup. He had subsequently taken refuge in Port-au-Prince.

Repression continues in Port-de-Paix as well. Searches are being made of homes of Aristide supporters, who have been forced to take cover in the bush. [passage omitted]

Dominican Journalists Attacked by Demonstrators

FL1311021391 Port-au-Prince Radio Galaxie in French 1800 GMT 12 Nov 91

[Excerpt] Two Dominican journalists have been attacked by demonstrators while riding in a Jeep outside the French Embassy. Police intervention saved the lives of the two journalists from LATIN DIARIO [as heard] who are, nevertheless, still being threatened. Harry Joseph has the following report.

[Begin Joseph recording] On 11 November at about 2300 GMT, a regrettable incident occurred in front of the French Embassy in Port-au-Prince. The white (Rocky) Jeep, with Dominican Republic tags number 309-535, and displaying a press sign, transported the press director of LATIN-DIARIO, (Saupi) Mantel; and (Herman Bejes) of ULTIMA HORA.

The vehicle was attacked by a group of demonstrators in front of the embassy. Some demonstrators, carrying a marking pencil, wrote on the Jeep: Balaguer, dog; Balaguer is deporting people. [passage omitted] [end recording]

President Makes State of Nation Address

PA0811013891 Mexico City Red Nacional 13
Imevision Television in Spanish 1700 GMT 1 Nov 91

[Third "State of the Nation" speech by President Carlos Salinas de Gortari at the 21st Century Medical Center in Mexico City—live]

[Text] Honorable Congress of the Union, and fellow Mexicans. At the opening of the Congress of the Union's first regular period of sessions, I am presenting this report in writing on the state of my administration. In presenting this report, I am carrying out my constitutional duty and reasserting my belief in the need for respect and cooperation among the nation's administrators.

In the past three years, we Mexicans have reaffirmed our formidable cultural heritage. With great effort, we have made significant achievements in production, in exercising freedom, and in fighting the poverty that still afflicts many. This great unified effort has supported Mexico's new role in the international arena. Our ties with Ibero-America, within the framework of the cultural and political affinities between Mexico and Spain, have been reestablished. Our relationships with the most active financial, trade, and technological centers are stronger now. The country now has more international respect. What happened in the past 12 months, combined with what took place in the previous two years, make it possible for us to accomplish new goals.

As we report on this period, we recognize our past efforts and look forward to the future. Since the beginning of my government, Mexicans demanded changes. They demanded a stable economy and more jobs. They demanded social changes to attack poverty in earnest. They demanded political changes to advance in democracy. The Mexican people said they did not want superficial changes or those that cause ruptures, conflicts, or divisions. The people avoided demanding changes that would have left everything as it was. They demanded, however, that Mexican values, history, and customs be preserved. In other words, the people want changes that will strengthen our identity and enable us to continue to be proud Mexicans.

So we changed to strengthen the nation. This is why our change is essentially nationalistic. I proposed to modernize the country in order to give depth and direction to the change. Modernization is a strategy to change in response to our needs and in tune with world events. The main objective of modernization, however, is to ensure the permanence of Mexico's sovereignty. Modernization is nationalistic. What role has nationalism played in the last decade? Nationalism can hardly be expressed now in the same way it was expressed in the past. The world in which the Mexican state was created; the world of the great wars; the world of the depression of the 1930's; and the bipolar world of the cold war no longer exist. Despite its many needs, Mexico is no longer a nation in search of integration; a scattered and rural nation; an illiterate and isolated nation; a nation threatened to survive. During each stage of our history, the Mexican people had to assign priority status to national interests.

For this reason, our nationalism has expressed itself in various ways throughout history and has not been exhausted in any one of these ways. These expressions, however, have never been permanent or unchanging. They have always responded to circumstances. They have in common that they emerged from the internal urge to see the country meet the challenge to be more sovereign and more just; these two values have been defended through the personal achievements of each Mexican. Our nationalism is recognized in every one of its historic stages and is linked not to specific formulas of power or production, but to our national interests and our inherent values and customs. Because nationalism defines what makes us one and the same nation throughout the centuries, we cannot accept nationalism to be considered an obstacle to our development because of our bonds to the ways of the past. Quite the contrary, nationalism is the only value that guarantees that we will be a society of Mexicans and that we will continue to be strong in the future.

For this reason, we must reject those who view nationalism as a shallow and unchanging principle made up of public policies of yesterday that are useless today. We also reject the negative nationalism that was a symbol of the closed and oppressive states in the Europe of the 1930s. We reject the kind of nationalism that is used by regions to sow division and cause the disintegration of nations. Our option is not a worn-out nationalism or a yielding attitude. Being nationalistic is wanting to strengthen the nation. It does not mean being nostalgic for formulas of the past which, within today's world, weaken nationalism and make it more vulnerable and less viable.

Currently and since the beginning of the 21st century, Mexican nationalism, a result of principles inherited from history, has needed to change its expressions to guarantee the achievement of four main objectives: the defense of our sovereignty; the respect for freedom; the promotion of justice within a climate of increasing prosperity for everyone; and the development of democracy. This is the nationalism our Constitution mentions in Article Three. It demands the understanding of our problems; the use of our resources; the defense of our political independence; the guarantee of our economic independence; and the continuity and growth of our culture. It also calls for a better coexistence; the appreciation of the dignity of individuals and families; and the strengthening of our need to work for the general interest of the nation. In this way, the Constitution demands that we know each other better; protect our values; seek goals; and foment ideas without excluding or being hostile to other nations. This is how we recognize and differentiate our path from that of others. This is how we have decided to educate future generations of Mexicans.

How do we define our political and economic independence in today's world and in today's Mexico? How do we expand our culture? How do we respect the dignity of individuals and families? How do we serve the interests of the Mexican people at this moment in history? In sum, what do national interests demand from us in the contemporary world?

Historically, nationalism has been the answer to any external challenge. Now the big challenge lies in not being left out of the great integrationist efforts and the great exchanges of resources. To be left out is to become weak and perish. In two brief years, we have seen how much it has cost other nations when they have tried to avoid changes and ignore what is going on in the outside world.

We also express our hope to build a new civilization. However, there is an uncertain gap between costs and hopes. There is a risk when one wants to change everything in a disorderly fashion, that is when one is left empty-handed. We will not guarantee a greater economic independence by closing our doors and ignoring the outside world. This cannot be done in an interdependent world.

For this reason, the voice of Mexico must have greater influence in international decisions that will inevitably affect our nation. Thus, Mexico protects our basic needs and opens up new and more defined economic ties with areas of international development where financial, commercial, scientific, and technological capabilities are concentrated.

In our foreign policy, we have an enormous legacy of principles and practices that have always earned Mexico respect at multilateral meetings. However, these principles have never been used as excuses not to take stands in the face of facts. They have been the norms that guided Mexico in international affairs. For this reason, in the face of conflicts, Mexico's regional and international initiatives have included the application of these permanent principles, using updated methods, to various external events. For this reason, we have also promoted Mexico's participation in new regional fora.

We are part of humankind. Our culture contributed to the development of human beings and our resources helped in the material welfare of many nations. We also benefitted from and changed as a result of exchanges. We understand that the revolution of telecommunications draws cultures closer and increases mutual influences. Many of the principles we claimed as independent nations, particularly the defense of human rights, now spread among the community of nations. For this reason, by guaranteeing the value of these rights and respecting them in Mexico, we are complying with our historical aspirations and that of the world community to which we belong.

We know we must encourage interdependence for our economy to grow faster. If our economy does not generate more permanent jobs and protect the peoples' welfare, we will be weakened internally. That would affect our capabilities as a sovereign nation. The decision to increase our economic relations in no way entails dependence on political integration. We can remain sovereign with more economic ties because we are determined to create a more equitable society in liberty and democracy, to promote greater mass participation, and to demand mature political organizations.

There are no cultural divisions in Mexico that break the resolve of the nation. We can achieve our goals. We have strength because our cultural and national interests coincide. We have the best methods of defending our political independence and securing our economic viability. Europe has embarked on a program to establish not only a free trade zone but also a common region that will have no borders or passports and will have a joint currency, banking system, parliament, and army. In contrast to this European program, Mexico—for historical reasons and out of political convictions—promotes more economic interrelation and free trade with all nations but always upholding our identity as a sovereign country. Supranational changes are taking place around the world. A few countries, which do not have neighbors with hegemonic power, now talk of doing away with borders. However, for us the defense of our sovereignty and our nation is no an anachronism but a main element of survival.

We acknowledge the need for multilateral organizations that are strong enough to contribute to humanitarian causes. However, we cannot accept the attempts to give these organizations the authority to intervene in the internal affairs of other nations. The internal political events of nations are observed and commented on from abroad. But Mexico's sovereignty will be doubtful the day it allows foreign arbitrators to decide on its domestic political problems. That is why we cannot accept any attempt to resolve our political differences from abroad. We will always have legal means and open channels for dialogue to resolve problems in Mexico. It is our mission to preserve the fatherland.

On the domestic front, we increase Mexico's strength with a policy of sustained growth and stability by generating jobs, increasing savings, opening up competition, promoting investments, gaining access to technology, and favoring exports. We also accomplish this by fostering changes in political practices to ensure the legality of and concurrence with the rules to vie for power. We strengthen the country most of all with a new, financially responsible social policy that encourages participation and upgrades our living standards. This is our nationalistic way of acting in an interdependent world and adapting to changes meant to strengthen the nation. Mexican society has changed at a rapid pace. The major divisions of the past have vanished in the face of urban development and new modes of production and technlogy. However, a big dividing line remains, and it directly limits national integration in the sense that Mexican nationalism demands. This line is poverty. The only action that the state and society cannot ignore for

reasons of justice and nationalism is eliminating poverty once and for all, as it can prevent the current changes in the world from effectively benefiting the entire nation. For that reason, the new nationalism of the last decade of the 20th Century must turn the elimination of poverty into a matter of national interest. Nationalist sentiments, as elements of social cohesion, are sentiments of solidarity. It is not surprising that solidarity should be the slogan to fight extreme poverty. The goal is to ensure economic viability and political stability within an atmosphere of great freedom, the indispensable condition to undertake major tasks. This is what en masse integration of the people into the nation's active economic and political life means. Simply put, the goal is greater social justice. This justice cannot be reduced to a mere redistribution or transfer of resources.

Nationalism demands organized participation in defining and taking joint action against poverty. The Mexican state has irrevocably pledged to improve the distribution of income and promote justice. The nationalism of the century's final decade is democratic, participatory, and tolerant. It defends freedoms, is productive, and promotes justice in the administration of the nation.

Perhaps our richest tradition is the tradition of keeping alive our past. We have a tradition of not doing away with the old to make room for the new. However, we do not become immobilized in response to the new because we are burdened by the old, but we maintain and affirm ourselves through change. Our culture is not, cannot be, and should not be a dead and untouchable catalog of past triumphs. We also should not expect it to be impervious to exchanges with other cultures, especially with today's communications. From an historical viewpoint, our culture is dynamic and flexible, not rigid or immutable. Its depth and breadth are such that these influences will enrich it. Our culture is a rich accumulation of experiences. It is the fruit of change and constant contacts with other cultures and of the often contradictory characteristics and symbols of its own diversity. Occasionally it has wielded a decisive influence on other peoples. Our culture was formed by the sedimented layers of many aboriginal and foreign peoples; it is unmistakably ours and will continue to be ours, even with changes.

Mexico's image, voice, and participation abroad have changed significantly over the past few years. The country that was relatively isolated from European trends, that was absent from the cooperation forums in the Caribbean basin, that made little progress in Latin American integration, that was estranged from the United States, and that was known to the world primarily as the great debtor, has made a decisive, active, and dynamic about-face in its image and ability to take action.

Our basic strategy has been to diversify our foreign relations. The summit of Spanish-speaking nations symbolizes the historic step of a first dialogue among all of the Latin American countries, Spain, and Portugal. Today Mexico maintains the highest level of communication with the EC and most of its members. We participate in its organizations, and we have established the terms for exchanges and access to this great market. We are members of the leading forums in the Pacific. In Latin America we have regained our initiative and have taken specific and realistic steps toward economic integration. Examples are the free trade treaty that has already been signed with Chile, the treaty agreed upon with Central America, and our initiatives with Colombia and Venezuela. We have also opened up a new phase of relations with the United States; it is based on respect and cooperation. We are carrying out negotiations to establish a trilateral free trade treaty with the United States and Canada. This will allow us to increase and strengthen our growth, create better paying jobs, and improve the people's living standards.

After three years and over 143 meetings with more than 50 heads of state and government, it has been possible to establish a new political dialogue by making pledges and increasing our resolve based on national foresight. So far in 1991 I have met with 29 presidents and have visited eight countries in Europe and in our continent. Today Mexico has relevant initiatives that are acknowledged abroad.

In July, the first conference of Spanish-speaking nations in history was held in Guadalajara. The presence of all the Latin American heads of state, the king of Spain, the president of the Spanish Government, and the president and prime minister of Portugal proved Mexico's convocational capabilities and institutionalized the annual conference of Spanish-speaking heads of state and government. This summit proved to be a specific source of opportunities for the country, a mechanism with which to strengthen our security, and a means of spreading solidarity within the region. This political initiative, which has a very broad range of possibilities, strengthens the country's ability to negotiate with other nations and shows that Mexico can be a link between Latin America and the European nations.

Regarding Europe, we already have an agreement with the community as well as several bilateral agreements to ease our access to their markets and encourage investment in our country. We are participating, as a founding member, in the European Reconstruction and Development Bank and attending working meetings of the Economic Cooperation and Development Organization. This intense dialogue has prompted interest from European businessmen who are already making investments that could become sizable in the coming years.

On the bilateral level, I carried out fruitful official visits to the Federal Republic of Germany, Czechoslovakia, Italy, and the Soviet Union. I had long conversations with President Gorbachev and was able to verify the great tension caused by his reform process and the radical changes the Soviet Union has experienced. During dialogues with President Yeltsin, this reality was confirmed. The impact of these changes on European

stability and world events is evident. We have already established diplomatic relations with Estonia, Latvia, and Lithuania.

During the trip to Europe, I visited the Vatican, and during my conversation with Pope John Paul II, I conveyed to him the warmth and affection the Mexican people feel for him. He told me of his fondness for our fatherland.

Asia, with its dynamic commercial and technological centers and proven discipline in working and saving, is undoubtedly an important region in the formation of the world of the next century. Therefore, Mexico is interested in maintaining its presence as a member country of the Pacific Basin. We have already joined the Pacific Basin Economic Council [PBEC] and organized the PBEC's 12th meeting. We hope to be members of the Asia Pacific Economic Council very soon. The investments from that region, particularly Japan, promise to grow very much. As in the European case, the perspectives of the free trade zone in North America represent an important incentive for Asian businesses. We have the support of that area's governments to join those countries' distribution systems and tear down the barriers that obstruct access to their markets. The president of the Republic of Korea and the Malaysian prime minister visited me in September. We consolidated ties with both countries in all fields.

In Latin America, home of our affection and affinity, Mexico not only reaffirmed close political dialogue with the governments, but also confirmed its peoples' positive disposition. Mexico is promoting a special relationship with its southern neighbors. In February I met with the Guatemalan president to analyze bilateral topics, and in September I carried out an official visit to Belize on the 10th anniversary of its independence. An expansive agreement on trade and investment was signed during that visit. In January, I met the presidents of Guatemala; Honduras; El Salvador; Costa Rica; and Nicaragua in Tuxtla Gutierrez, Chiapas State. We signed a general agreement for cooperation and a complementary agreement that will lead to the complete liberalization of our commercial relations. We have strengthened ties with Costa Rica in all fields, and that country's respected president visited us in February. We have found the solution to Honduras' and Nicaragua's debts to Mexico and we are now advancing toward greater cooperation. Together with Colombia, Spain, and Venezuela, we have supported the steps taken by the UN secretary general in the search for a peaceful solution to the conflict in El Salvador and we supported the peace talks in Guatemala.

We continue to broaden and deepen our relations with Caribbean nations. We participated in the regional economic conference in Jamaica, thus, broadening our presence in this area, which is our third border. We hope the reforms that have begun in Cuba will soon allow for increased rapprochement with Latin America and a less tense relationship with the United States. The presidents of the Group of Three agreed on this during our recent meeting in Cozumel.

During Peruvian President Fujimori's visit, we signed a cooperation agreement on the struggle against drug trafficking. Backed by defined projects and clear objectives, we have encouraged the transformation of the Rio Group, the framework of the region's political activity. The integration system recognizes our country as a supporter of unity supported by facts.

As for the north, we are definitely experiencing a new stage in our relations with Canada and the United States.

Our relations with Canada have been increased and strengthened during several meetings with Prime Minister Mulroney, particularly concerning the outlook of the trilateral treaty for North America. I met with President Bush in Monterrey and Houston, and I visited several U.S. cities in April and September. The respectful manner of the U.S. Government toward Mexico, and a new attitude—devoid of myths and prejudices—has allowed us to change our complex and difficult relationship, emphasizing similarities, and learning to settle and respect our differences.

We have achieved progress for our mutual benefit and cooperation in practically all areas—ecology, drug trafficking, trade, finance, culture, and immigration problems—through the mechanism of a binational commission. We have started a respectful and enthusiastic relationship with the Mexican American community.

Many issues undoubtedly demand our close attention, particularly the defense of Mexican migrant workers. We will not neglect the protection of our fellow citizens when they work in other nations. They work with honesty and dignity, and both their human and labor rights must be respected. That is why we joined other countries in sponsoring the UN adoption of an international agreement to protect migrant workers and their families.

We endorse the measures the United Nations adopted to oppose Iraq's flagrant violation of Kuwaiti sovereignty; and we sponsored the immediate reestablishment of international laws. Mexico will always advocate an international order based on the law as the form to harmonize the scrupulous defense of sovreignty while attending to new problems in the world.

We want the OAS to become an instrument that provides effective support to efforts by member-states to overcome extreme poverty and technological differences, which today limit an economic integration, continental security, and full sovereignty. Thus Mexico's foreign policy has been a powerful instrument in figuring prominently in the world, earning respect, and favoring the context of its internal changes.

The strength of the nation rests secure in our Armed Forces. The Mexican Army, Air Force, and Navy protect

our national territory, natural resources, and installations that are vital for the national economy. Given their permanent vocation to serve the community, members of the Armed Forces toured the country to provide medical attention and medicine to the people who required them. They were also present, as always in cases of need, during the floods that affected three states of the republic.

Mexico's permanent pledge to fight drug trafficking found an efficient arm of combat in the Armed Forces. Mexican soldiers have died in daring actions, and they receive the permanent homage of their fellow citizens. Because of their great value to the nation, the Mexican Armed Forces are constantly being modernized. The Army, Air Force, and Navy improve their schools and constantly update their education and operation plans, their training plans, and the structure of the military organizations.

We have launched a housing program for the Armed Forces which has allowed us to deliver in this year alone a number of houses almost equal to the number built for them in the last 50 years. The nation has a flexible and effective defense for any situation, and it is equipped according to the needs of the country. I reassert our appreciation to the Armed Forces for their loyalty and their noble work in helping the people and in always defending our homeland. The Mexican people certainly recognize this. [applause]

Domestically, the country has lived in peace. The intensive mobilization to compete for political power, to advance against inflation, to render the production system efficient, and to improve the people's living conditions has allowed the achievement of unanimous positions and harmony, which are not lacking in emotion and debates but which nevertheless are pledged to participate in a permament dialogue. [sentence as heard]

From the outset of my government, I said that I would not tolerate any form of impunity whatsoever, that no one was above the law, and that the law could not benefit individuals who violated human rights. The new rules gave the people increasingly efficient legal rights. The new National Human Rights Commission, which is respected and active, watches out for and deals with reports of alleged human rights violations with increasing efficiency. This year the commission has received 3,374 complaints. The level of development in a country does not determine the number of complaints that will be filed or the human rights situation. Many factors must be taken into account. The only thing that matters is my pledge to fight impunity. Over half of the complaints filed were satisfactorily resolved. I have promised to respond in an efficient manner to the recommendations of the community. This is a fundamental pledge for the government of the republic.

We are waging a relentless battle against drug trafficking; we are dismantling organizations; seizing drugs; and punishing the guilty at unprecedented degrees and levels in our history. I acknowledge the effort that was made and the lives that were sacrificed in the line of duty. In three years we have seized 1,500 metric tons of marijuana; over 122 metric tons of pure cocaine; almost 10,000 vehicles; and over 20,000 weapons. During this period we arrested over 45,000 people. In 1991 alone, we have seized 40 metric tons of pure cocaine. The value of the drugs seized this year at market prices is equivalent to the foreign debt of the country.

However, the end does not justify the means. Anyone who violates human rights in the course of pursuing drug traffickers in this peacetime war, will continue to receive severe punishment. [applause]

In implementing and administering justice; in maintaining permanent surveillance to prevent and punish human rights violations; in enforcing full freedom for expression, press, movement, and petitions, the changes made have led to our taking decisive steps toward building a new relationship between the state and society. This is why we reformed the laws that govern legal procedures, eliminating illegal arrests and violent interrogations. These laws establish the requirements a confession must meet in order to have legal value. They avoid placing the defendant in solitary confinement, and protect Indians involved in legal procedures by assisting them in their own language or dialect. Six hundred and thirty-one people, primarily Indians, have benefited from the pardon and amnesty.

There have been political innovations in the country over the past three years. There is increased consensus on the structural changes that are necessary for the development of the country. We have overcome situations that caused polarization, and we witnessed reunions between society and the government. Currently, our highest public responsibility is to broaden the possibility of social cohesion. Nevertheless, we should be aware that all changes generate movements. It is good to hold debates and to adopt positions. Today we have social peace, stability, and debate. Political parties are adopting positions; there is full respect for public freedoms; renewed emphasis on the protection of human rights; and a greater social demand for responsibility on the part of those of us who are in public office.

The Mexican people's resolve has been expressed in competitive elections throughout the nation. In 1991, there were 557 municipal elections and 285 local legislative elections in 13 federal entities and seven governorships. On 18 August, the country also underwent an intense federal election in which the citizens of the republic gave exemplary proof of good citizenship; it was one of the most well-attended intermediary elections in recent times. The new electoral organization has done more to incorporate society through 2,000 citizen representatives and their associations. A new court of law resolved complaints from the political parties. The political parties, which were also responsible for the campaigns, exerted their rights and promoted their programs and candidates throughout the country. They took

advantage of the prerogatives granted to them by the new electoral code, and they received from public resources a total of more than 100 billion pesos, which were presented to them by the electoral authorities.

Almost 24 million Mexicans voted on 18 August. Approximately 60 percent additional polling sites were installed by mandate of the new law. This is why they were closer to the people's homes.

Voter turnout was extensive: More than 64 percent of registered voters cast their ballots. More than 700,000 citizens watched over 5 million [words indistinct] and over 500,000 political party representatives. We learned that some electoral regulations must be improved. Although more than 36 million voting credentials were delivered—92 percent of the register—last minute pressures resulted in some problems. The information system established by law was not fast enough. Door-to-door voter registration—unknown in other nations—requires additional verification and improvement. That is why I call on the political parties to study changing the election laws and adopting methods similar to those used in many developing nations to allow us to report election results on the same day. [Some shouts of protest in the background]

Besides, we also have to comply with the legal requirement of issuing voting credentials and personal identification cards with photographs. We can undoubtedly improve our procedures through dialogue. [Extended protest shouts from deputies]

[President of the Congress rings bell] [President of the Congress] Order deputies, order deputies to continue with the general session. [Shouts continue] Order deputies, order deputies to continue with the general session. Deputies, order deputies! Mr. President, please continue.

[Salinas] The responsibility and the analysis of legislative changes in this regard corresponds to this honorable Congress [applause]. In making these changes, traditional standards are overruled by reality and new practices entail risks. In these circumstances, changes in regulations might not be recognized or acknowledged in their true light. In these times of change, it is not possible to rule a nation such as ours with decades-old hypotheses or political practices. Let us judge the results, faced with the facts, with enough vision and perspective. Politics has the responsibility to change conflict into dialogue and to reach an agreement within a legal framework. If we can resolve the difficulties of an open society, if the nation's political forces continue to demonstrate their capability of resolving differences, we will have overcome the reasoning of the hardliners and will be placed in a different historical position.

With modernization we will have broader internal and external capacity to overcome the challenges we will face. This is why we should all join in a concerted effort so that together, with honesty and in good faith, we can find the road to a national consensus to face the nation's great challenges. [applause]

The nation's transformation is the responsibility of the current times. This transformation should be debated. There cannot be a rich political life, which is the expression of such a diverse society, without heated discussions in response to such profound and complex changes. Besides changing the rhetoric, there must be a true commitment to make the changes. We have to change our actions and make new guidelines that are different and lasting. The nation has chosen the road to political change, to orderly change, to democratic change.

The economy has recovered its stability. Its structure is being changed, and each year of this administration it has grown almost double the rate of population growth. The key is the permanent economic policy in force—strict control of public spending, a competitive fiscal system, reduction of foreign debt, the opening of trade and deregulation, investment promotion, and exports. In three years the economy is healthier and has a greater capacity to respond to the demands for more and better paying jobs.

We still have a long way to go to recover what we lost in the crisis. However, we are working so that the benefits of recovery reach more Mexicans in more regions. The economic growth in the first six months of 1991 was almost 5 percent annually, which is the largest for this period in 10 years. Accumulated inflation in the first nine months was the smallest in 16 years. For the first time in our history, in the first months we have a fiscal surplus of almost 10 trillion pesos. The revenue generated by the sale of the Mexican Telephone Company and the banks had a marked influence on this surplus. Even if we do not take this revenue into account, the fiscal situation in the first six months shows a significant improvement in public finances and a reduction in the deficit of more than 50 percent over the same period in 1990.

Such results will serve as the foundation on our road to stability. The budget was reduced by 16 percent compared to the first six months of 1990. Of this amount, the reduction of almost 50 percent of funds destined to service public debt stands out. Within the framework of strict fiscal control we have paved the way for positive growth in social spending. In this fashion, social spending, including health, education, and regional urban development, which in 1988 accounted for 32 percent of the budget, in 1992 represents 44 percent of the budget. The participation of states and municipalities in social spending registered marked growth of 18 percent during the first six months of 1991.

Revenue in the public sector, between January and June of 1991, rose over 14 percent, compared to the same period in 1990. The results are based on a more just fiscal system with lower tax rates than three years ago

and simpler administrative forms that encourage taxpayers. Few nations have made adjustments of this magnitude in so few years. The increase in revenues, the reduction in debt service, and the careful allocation of resources have simultaneously permitted the elimination of public deficit and greater support for the government to address priority issues.

We reduced inflation, which in 1987 was over 150 percent, nearly to the levels set out for this year. The success of the pact for nearly four years demonstrates that commitments can be met when there is dialogue, clear ideas, and decisiveness by the social groups. The extension of the pact that was valid until 31 December 1991 made it possible to reduce the rate at which the currency was sliding from an average of 80 cents per day to 40 cents per day. Our goal is to reduce inflation on a par with the inflation rate of the nations with which we trade.

The principle promoters of the current economic expansion are the exporters and investors. While consumer spending is recovering gradually, investment growth in recent years has tripled, registering an increase of more than 12 percent per year. With this investment, the nation strengthens its capacity to generate jobs, to satisfy the community's hope for progress, and to compete with growing productivity in a world market that is each day more integrated. The propects are promising. This is how Mexican and world investors perceive Mexico when they decide to earmark larger amounts for investment. The opening to foreign investment is intended to attract resources, technology, and export capacity. This is why we strongly promote foreign investment. However, we do not seek, through these investments, foreigners purchasing across the board existing companies, while Mexican businessmen become bondholders or managers. This is why we must strengthen the dialogue between the government and the private sector, so that public policy on competition can be more effective. In addition, the strategic alliance between Mexican and foreign businessmen should allow for specialization, increased growth, and access to markets.

Economic recovery is reflected directly in our levels of employment. Between January and August, the average unemployment rate in the country's leading cities was 2.6 percent, compared to the 3.6 percent average recorded in 1988. Nevertheless, the phenomenon of parttime employment does exist. The Mexican Social Security Institute's permanent membership has increased by almost 8 percent during the same period compared to 1990. Concurrently we have managed to stop the downward trend of the average real salary in the manufacturing industry, which up to three years ago—in certain regions and areas of production—had begun to show signs of moderate recovery.

In keeping with the economy's best prospects, interest rates have dropped considerably. Revenues are presently decreasing while savings are increasing. The 28-day rate for CETES [Treasury Certificates] dropped from 27 percent in October 1990 to approximately 17 percent this month. Meanwhile, the real balance of financial savings increased by 13 percent between September 1990 and September 1991. Increased stability and improved prospects have fostered long-term savings. In a single year, the average time for the expiration of domestic public debt went from 223 days to over 1,000 days. The new balance of payments situation requires and adequate explanation. In the past, when our charge account had a deficit and we could not increase our foreign debt, reserves decreased. Now the opposite is true; the charge account deficit and international reserves are growing, the public sector is not accruing debts, and public spending is not exerting pressure on imports. Imports are currently being spurred by increased private investments, which are financed by the flow of foreign investment. In other words, our largest imports, which are necessary to broaden the country's productive base, come with their own financing in foreign exchange.

A similar situation took place in Spain during that country's notable recovery. If we had a surplus on our payments balance charge account, Mexico would be exporting capital to the rest of the world. We need exactly the opposite: to obtain foreign resources that will complement domestic savings. Thus, despite the good performance of our non-oil exports, the number of which has increased by almost 14 percent, we will continue to see a deficit in our charge account, increased foreign investment, and increased international reserves.

I announced on 1 November 1989 that the country's international reserves totaled $7.324 billion. One year later they were $8.415 billion. Since then, in one year, the reserves have doubled, reaching their highest level in national history. I must inform this sovereign country that as of 31 October, the total amount of international reserves in the Bank of Mexico was $16.710 billion. This confirms the solidity of our currency. [applause]

The Mexican economy is now better prepared for fluctuations in foreign markets, and the effort to achieve sustained growth with stability is taking place on stronger foundations. This financial strengthening of the Mexican economy is reflected primarily in the significant reduction of the domestic and foreign public debt. In net terms, the public sector's foreign debt has gone from 54 percent of the country's production in 1987 to 23 percent in 1991. Meanwhile, the domestic debt decreased to 15 percent during the same period.

Proportionate to the size of the economy, the total public debt has been reduced to less than half of what it was in only four years. Thus, the economy is bigger and the debt is smaller. The country has been able to eliminate its debts thanks to the intelligent management of additional resources and the timely confrontation of foreign situations. At the end of 1990, oil prices rose rapidly due to the uncertainty created by the Persian Gulf war. However, we anticipated that oil prices would drop when the war ended. We took three precautionary measures: we

estimated an average oil price for 1991, which was half the market price; we acquired options on oil futures to guarantee our planned income; and we channeled almost all of our resources from privatization to a contingency fund. These decisions proved sound. Oil prices plummeted, but our preparations allowed us to protect our balance sheet and maintain our economic program.

The resources from privatization that were channeled to the contingency fund have been used to pay off 20 billion pesos of the Federal Government's liabilities at the Bank of Mexico. This operation also allowed us to incorporate the fund's resources in dollars to the country's reserves. The government believes that it would be disadvantageous to use one-time incomes, such as those from the sale of institutions, to finance permanent expenses. The use of the fund's resources to reduce the foreign debt will result in permanent savings on interest paid by the government and will broaden the margins of public spending. Thus, income from privatization will be used for popular programs, not only for one year but on a continuing basis. The poorest Mexicans know that instead of accumulating properties, their government is meeting their communities' needs by working harder for those who have less. The economic reform is based on consensus and has a social foundation.

To prevent the economic recovery from benefiting only a few, we have initiated a special support program for micro-, small-, and medium-sized businesses. Free from bureaucratic obstacles and with accessible rates, timely credit, and administrative, technological, and commercial advisers, over 50,000 businessmen in Mexico have received support in only one year. This is a fundamental step in the state's reformation. At the beginning of my government, the Development Bank was created and its resources subsidized four state institutions. With the reform, this bank now supports thousands of small- and medium-sized businesses to show its confidence in them. This is why we encourage the formation and organization of credit unions. Mexico's small- and medium-sized businesses will continue to have the government's support.

We have strengthened the process of opening our economy by negotiating and signing free trade agreements. We concluded a free trade treaty with Chile in September. The treaty guarantees access to markets and transitional phases to prevent disruptions in any sector. It also recognizes regional origin of merchandise and guarantees equitable transactions. The treaty with Chile is an innovative agreement because it includes issues such as services, investments, and intellectual copyrights that are compatible with GATT. An administrative commission will establish contacts to efficiently implement the treaty. We have the mechanism and, more importantly, the friendly inclination to increase trade and benefits for our people.

Following broad consultations between the Senate and the people, we began negotiations on the trilateral free trade treaty with Canada and the United States. Negotiations have now been stepped up. Eighteen groups have been established to discuss substantial issues. The issues generating the longest discussions deal with the handling of disputes, tariff issues, and transitional periods. The government; representatives of businessmen, workers, peasants, researchers, and professors; and a solid group of lawyers and treaty specialists are working together with a united front on behalf of Mexico. We keep the Senate and the general public permanently informed, and I intend to increase the flow of information to respective commissions from the Chamber of Deputies. [applause]

Our negotiators act seriously, responsibly, and with a profound sense of patriotism. They know that the agreements adopted will influence the country's economic activities for many years. Given the fact that this involves negotiations to gain access to other markets, we will have to facilitate access to our market. However, as I have emphasized on several occasions, in the case of our oil and electricity, we will propose no modifications to the constitutional provisions preserving Mexican state ownership and control of oil resources. [applause]

The three countries' negotiators sped up their work a few days ago in Zacatecas. They entered a new phase of negotiations and began to revise the text of the agreements. Nevertheless, we will proceed without haste to seek the greatest benefits for the nation, while at the same time preventing the negotiations from being unnecessarily prolonged. Concerning regulations, 28 strategic measures were coordinated with the export sector. These actions have improved services such as railroad transportation, port operations, electricity production, and customs house operations. There has been a noticeable improvement in several industrial and service groups' production and export capabilities.

During the last three years, 266 processes to privatize public enterprises not considered strategic by the Constitution were concluded. The government has received approximately 40 billion pesos for these enterprises. Following the preliminary qualification of interested groups, eight out of 18 banks were sold in 1991 through an honest public bid system. This process has managed to diversify the banks' capital because the number of shareholders in the eight privatized banks went from approximately 9,500 in 1982 to 32,000, not including the large number of people who participated through investment groups. More businessmen from different regions of the country also participated.

This banking incorporation is a step in the financial modernization process. It is taking place in the prescribed legal framework. Capital is diversified, investment opportunities for private individuals are increased, and the state is increasing its leadership, vigilance, and stimuli through outlined procedures. Nearly every sector of the economy is recovering. The agricultural sector's

nearly 7-percent growth in the first semester is particularly significant considering the many years of stagnation and decline.

Despite this remarkable recovery, the agricultural sector still presents one of the most complex and pressing challenges for the government-initiated modernization process. Modernization in rural areas is primarily aimed at increasing production and equity. We have made some progress in the former, but much more equity is required in Mexico's rural areas. Guaranteeing land ownership is the main objective of the agrarian policy. [applause] We have significantly reduced carryover by executing the presidential resolutions pending at the beginning of the present administration. In the period covered by this report, we implemented 226 resolutions to create a more equitable distribution of 1,025,000 hectares of land held by 21,000 peasant families. In addition, 107,000 agrarian rights certificates, 50,000 community property certificates, and 300,000 certificates protecting agricultural products and livestock from confiscation have been issued. Production in rural areas has increased. After a 4-percent drop in 1989, an increase of more than 3-percent was observed in 1990. An even greater increase is expected in 1991. The agricultural balance rose from $186 in January through August of 1990 to $334 million in January through August of 1991.

The guaranteed prices are a tool to support the transition to a market economy. Abundant rain and plenty of labor in the fields make it reasonable to expect production of 26 million tons of the 10 leading crops this year. The guaranteed prices of corn and beans have helped raise production to 13 million tons of corn and more than 1 million tons of beans, as well as improve producers' incomes. For the first time in two decades we did not have to import these two essential products. This special effort can be better understood if we consider the fact that we are producing all the corn and beans required by a population that has increased by 35 million in 20 years. It has been 20 years since we did not have to rely on imports of these basic products. My recognition goes to the peasants and farmers who produced such large crops these past two years. Now the challenge is to make this situation permanent. In the agricultural and livestock sector, the production of eggs and beef has increased. The recovery of the dairy industry, which saw almost a 10-percent increase in production in 1990, has started. The supply of beef has been ensured and there is an exportable surplus. Regarding fishing, we have started to modernize cooperatives, given impetus to aquaculture, stepped up vigilance on Mexico's littorals, refinanced the shrimp fleet's debt, and increased the number of fishing vessels. We have adopted a program to eliminate the accidental death of dolphins while fishing for tuna. There is a permanent ban on sea turtle fishing, and we have started to install fishing equipment aboard shrimp boats that will help to avoid harming turtles. All this has been done in the Gulf of Mexico and the Caribbean. We Mexicans want a strong, productive economy, but never at the price of the destruction of the environment.

Regarding energy, Mexican Petroleum [Pemex] and the Federal Electricity Commission [CFE] have been making substantial expenditures to meet internal demand and hydrocarbons exports. Pemex bonds have been well received by local and foreign investors.

By enacting clear-cut legislation, it has been possible, with the assistance of private financing and cooperation, to initiate new projects in areas such as electricity, petrochemicals, and fertilizers. I want to emphasize that I will continue to uphold my commitment to preserve for the state exclusive management of our energy resources.

However, we must reach total efficiency in Pemex and CFE. These are two of the greatest energy sectors in all of Mexico. There are productivity and efficiency objectives that we can still develop. I am sure labor and management will be able to reach higher goals for the benefit of all Mexicans.

During the next six-year period, internal energy demand is expected to grow at an annual rate greater than 5 percent. There is enough supply to cover short term needs. Nevertheless, it will be necessary to channel additional resources into the energy sector to overcome the challenges posed by economic recovery. During the current year, crude oil production has increased by 1.3 percent. We were also able to expand export volume by taking advantage of international market stability. However, internal gasoline consumption has been increasing at excessively high rates, necessitating imports that, during the present year, have been equal to more than 10 percent of the total value of crude oil exports.

To carry out exploration projects, service agreements with private companies have continued, as has been the practice during past decades. Timely payments have been made for projects completed without endangering subsoil resources. There are not now nor will there be any of the so-called risk contracts, only service contracts.

In the petrochemical sector, we have promoted investments as an essential condition for increasing this sector's capacity to compete and better satisfy domestic and international demand. We have improved the industry in accordance with technological changes. In addition, the process for obtaining secondary petrochemical licenses has been streamlined.

During the present year, electricity generation has increased by 5.6 percent. We have progressed in the administrative, operative, and financial restructuring of the electrical energy sector. We expect to increase revenues to ensure the growth of this strategic sector.

By enacting adequate legislation, we have tried to ensure private sector participation in the financing and construction of projects that recognize the need to take full advantage of production capacity potential. Plants will be managed by CFE and will become part of its assets once all the financing funneled to these plants has been liquidated.

In 1990, the new mining sector legislation was issued, eliminating bureaucratic procedures, requirements, and obstacles that diminished opportunities in the granting of concessions and consignments. It has been possible to respond to the need for 7.8 million hectares, which accumulated up until 1989, by allocating consignments totalling approximately 7 million, thereby lowering backlogs by nearly 90 percent.

With the cooperation of Mexico's miners, approximately 3 billion pesos will be invested in the sector in 1991. This amount is double the investments made during the past period. Likewise, to stimulate investments in mining resources, the partitioning of available land has been hastened. This process will result in nearly 2 million hectares available by the end of 1991.

To improve the road system, which is necessary for the development of the country, Mexican society as a whole has been summoned to participate in a nationwide program. The reply has been positive and has allowed an increasing amount of private funds to be assigned to large infrastructure projects. Keep in mind that in 36 years, only 1000 km of highways were constructed. All of these highways were four-lane. Between 1989 and 1991, 1,800 km of additional highways were opened. This will allow us to quickly provide the country with a modern transportation infrastructure.

At the same time, 2,700 km of highways in critical condition were reconstructed, and operations to repair 15,000 km of seriously damaged highways has already begun.

We have also restructured the Mexican National Railroad with the participation of its workers. We are making progress in modernizing Mexico's post office and telegraph services.

The National Port System is a key factor in the country's economy. The corruption and inefficiency that for decades burdened Port Veracruz, the country's most important port, have been eliminated. We have also set the basis for the port's modernization in the near future. The port's new organization includes highly efficient operational systems and significantly improved labor conditions for port workers.

The quality of Port Veracruz's services will soon be at the international level. The country has two new ports: Pichilingui, in Baja California State; and Topolobampo, in Sinaloa. These two new ports are opening formidable opportunities for regional and national development.

A new facility for cruising boats used by tourists has been completed in Ensenada.

In 1991, the National Port System's container related services increased by 100 percent. Its in-bulk services increased by 50 percent. There is still much room to improve efficiency.

Telephone communications represents a key telecommunications activity. This is why the dissolution of state corporate ties with Telephones of Mexico came only after a clear and careful process that guarantees that services and quality will be gradually increased and improved, and also guarantees that the workers will be shareholders of the enterprise, and maintains Mexican control over this service.

The decision to launch a new satellite system that will quadruple the capacity of the Morelos Satellites resulted from the need to expand Mexico's telecommunications services. Mexican experts and scientists are participating in designing this system.

In the past three years, Mexico received more than 19 million foreign tourists and more than $10 billion. During the first eight months of 1991, revenue from the tourism industry increased by $1.4 billion. Domestic tourism involved 33 million countrymen. This is 12 percent more than at the beginning of our administration.

We are implementing several big tourism projects at all the country's beaches. This will allow Mexico to significantly increase its capability to attract tourists and this in turn will result in more jobs, regional development, and more foreign exchange.

Summarizing: We have been recovering, we have moved from stagnation to healthy and sustained economic growth. Our public finances are stable thanks to an effort seldom seen in the world.

We are channeling more resources to the social sector under strict fiscal discipline. We have, for the third year in a row, growth without a public deficit, with the lowest inflation rate in a decade and, for the first time, a fiscal surplus.

We have consolidated the economic opening and deregulation. The production apparatus is becoming modern and we are exporting more. We have diversified our commercial relations. The state has dissolved its corporate links with practically all those nonstrategic enterprises that would not let the government concentrate its attention and resources on its primary responsibilities.

In Mexico, investments, and therefore the number of jobs available, have increased rapidly. Average salaries no longer are going down; they are gradually improving. We are producing more and better products.

This economic transformation is taking place in peace. This is possible thanks to the vitality of the institutions, the implementation of policies, and the responsibility of the people. It would not have been possible without institutions capable of making pacts and reaching agreements with the production sectors. Economic reform would not have gained ground if they had not generated better prospects or without the new formulas for participation in society, such as those that allowed the labor unions to participate in privatization processes.

It would not have been possible at all without a climate of peace in the cities and the countryside, the result of the implementation of the government's policies.

A long-term political transformation cannot be guaranteed without a strong economy and without social policies to compensate for the lack of balance and inequalities. Nevertheless, the challenge is still great; the benefits of the recovery have yet to be clearly reflected among a large number of fellow citizens. The crisis has forced many Mexicans to modify their lifestyles. Obsolete economic policies have resulted in extremely high social costs. Many demands continue to surpass our resources. Such a profound crisis cannot be overcome in a few years. Therefore, although we have achieved considerable progress, we still have a lot to do before the benefits can be effectively reflected in the Mexican people's daily activities.

We seek to achieve a more just economic growth. We are building a new social policy that requires the participation of the people and of groups that endorse with their resources—clearly, directly, and without bureaucratic obstacles—what the community decides and does. This new social policy harmonizes democracy and justice, acts on its promises, and gives priority to what is urgent and to those who need help the most. Special attention has been given to implementing labor norms and workers' rights; endorsing better security measures at work; encouraging productivity; and sponsoring a solid labor- management relationship.

Within the modernization process, for which the production sector has had to make major organizational changes, the enforcement of just labor laws has given priority to conciliation. In fact, over 5,000 summons were received by the Federal Conciliation and Arbitration Board but only 10 percent resulted in a strike. The working conditions and the worker's security and health are the permanent responsibility of the government; the number of security and health inspections were increased by 17 percent between January and July 1991.

The country's transformation is a direct result of the education sector's modernization. Problems have been identifid in a concerted manner with the participation of several teachers, parents, experts, and social groups. Problems have been identified and state, higher education, and scientific research programs with specific responsibilities have been created. These proposals are open to a dialogue for their improvement. Schools are being repaired and provided with equipment and materials, and the teachers' situation is also being improved. Mexico's great education reform is being freely discussed throughout the country.

The struggle waged by the government of the republic against illiteracy has been permanent. During the period of time covered by this report, education programs were implemented for more than 500,000 persons. A new education model is being built to link up the pre-school, elementary school, and high school programs, and to avoid possible gaps and discrepancies. Approximately 2.1 million high school students were registered for the 90-91 school year. It is estimated that 2.2 million will register for preparatory, technical, and professional courses; that is 100,000 more than the previous period. It is important to mention that new decentralized technological education colleges are rendering their services. Quality education cannot be achieved without improving the teachers' situation. Thus, teachers' salaries have increased 151 percent in the last 35 months. We will continue to improve them until they reach the level of the salaries earned by other professionals.

I would like to emphasize my respect for all Mexican teachers for their valuable service to our nation. It is in the public institutions of higher education that most of the hopes to increase Mexico's competitiveness and guarantee social stability.

Specifically, all post graduate programs have been improved in search of higher levels of excellence. Also, a system of technological universities have been created to solve real issues of the productive sector. The new technological universites of Netzahualcoyotl City and Aguas Calientes have recently started operating, and soon Tula University should also begin functioning. In addition, twelve more technological institutes were established and are now operating in various federal states. The educational programs of these institutes are more flexible and adaptable to the requirements of the productive sector. Among those new institutes are Zitacuaro, La Piedad, La Mistequa, and Ecatepec.

The strategic usefulness of science and technology in the process of national modernization is more evident each day. Because of this, the funneling of public resources to this sector is a priority. In 1991, these resources increased by 20 percent, in real terms, amounting to approximately 2.5 billion pesos. In March, following recommendations made by the Science Consultive Council, four additional funds were established to stimulate basic and applied research, discourage most of our scientists from emigrating, and develop industrial research programs.

Culture tends to grow as international contacts flourish. Something new always results from these cultural exchanges. We cannot or should not avoid these interchanges. Throughout its history, Mexico has always done it this way. We will continue to spread the works of our creativity, stimulate our artists, and promote their international exposure. This has been the purpose behind the grant programs and the cultural promotion funds. We have seen a significant increase in the visits of artistic groups from other countries.

In addition, the library network was expanded; over 177 new libraries have been built. This brings the total number of libraries to 3,390, and we expect this figure to increase to 5,000 when this administration's term concludes.

Through the National Sports Commission, opportunites for sports were made more accessible through the school system as well as outside. Based on this, sports centers, recreational and health centers, sports management units, and municipal sports development centers have been created. The Olympic solidarity program has allowed for the construction of more than 700 sports facilities. Sports have become an expression of our culture. Undoubtedly, there are certain sports in which Mexicans expect better results. Through greater efforts, responsibility, and better organization, these improvements in athletics can be accomplished.

More extensive coverage has been sought for the health and social welfare programs in Mexico. The coverage by the IMSS [Mexican Social Security Institute], through its regular coverage program, reached 38 million persons. This is nearly 9 percent more than in 1988. On the other hand, during the same time period, the ISSSTE [Social Security and Services Institute for Government Workers] increased its coverage by nearly 15 percent; it now provides coverage for more than 8 million persons. Several public health cases and epidemics have been treated and controlled.

For more than a year, Mexico has not recorded one single case of poliomyelitis. In addition, cases of measles and whooping cough have decreased by 96 and 84 percent, respectively. The universal vaccination program, which provides vaccinations to all children, will conclude at the end of the year in 14 federal regions and the Federal District.

Cholera was first recorded in Latin America eight months ago. It is well-known that after cholera is first recorded on a continent, it spreads completely throughout the region. Cholera cases have been detected in 14 countries; from Brazil all the way to the United States and Canada. Measures to counteract the unavoidable arrival of cholera in Mexico consists of substantially increasing the potable water systems and its respective chlorine treatment. This epidemic was first recorded in Mexico 16 weeks ago. Since then, health authorities have detected and treated 2,000 cases. During the same time period, 223,000 cholera cases were recorded in the first Latin American country where it was recorded [Peru].

Thanks to the efforts of the public health officials and the National Water Commission, 98 percent of the persons who received treatment in Mexico have already returned to their daily routine. We plan to maintain our preventive and therapeutic efforts and to treat isolated cases that may appear. In addition, we will be alert to the growth of this epidemic throughout the continent.

AIDS constitutes a reduced, but growing public health problem. Advances made in medical treatment, timely detection, and proper dissemination of information has resulted in positive reaction from the general public. Health authorities still have to strengthen preventive measures.

As part of the commitment to expand the national health structure, 10 new hospitals and 67 primary level health care units were completed this year. We began the construction of two more hospitals and 19 primary care units and we continued the construction work at 14 general hospitals and six health care units. Rehabilitation, conservation, and maintenance work is being done simultaneously at more than 100 health care units. All of this is directed at increasing the coverage, quality, and availability of health care services by the general public and those who have social security benefits. In addition to this, care for the handicapped is a priority within our health care activities. Therefore, 600,000 appointments were made during this administration period to care for the disabled, as well as 1.25 million rehabilitation therapy sessions. This will allow the people who face these challenges to enjoy a productive and social lifestyle.

The government offers permanent nutritional and overall development aid to children, youngsters, women, the elderly, the handicapped, and people with low incomes. More than 118 million school breakfasts were distributed as part of this nutritional aid program.

We have tried to promote the efficiency of the basic food markets. The National Company for Basic Commodities [Conasupo] reoriented its grain commercialization plans by participating in the purchase of corn and beans, which are the only products with restricted prices. The market regulating stockpiles were kept at adequate levels.

The Solidarity Card [Tarjeta de Solidaridad] has assisted more than 2 million families with price-subsidized tortillas, sold in more than 200 cities. There are 7,500 new Conasupo stores in operation, which brings the total to 20,000 rural and 5,000 urban stores. We have been working so that the progress of recovery efforts can be felt in every state in the republic.

Presently, over 60 [illegible] of the population lives in urban areas and by the [illegible] 2000, this may increase to 80 percent. While the total [illegible]ulation growth is 1.9 percent per annum, rural areas [illegible] at a slower rate than the national percentage, and [illegible]dium-sized cities grow at even higher rates than the larger cities. The future way of life in our country is inevitably urban. We are working on the creation of a city system that will utilize economic potential and the available lands, water, and infrastructure in 80 of the most important population centers in the country. Facing the housing challenge is a high priority of my administration. We have managed to invest more than 12 trillion pesos in building over 150,000 homes.

The Institute of the National Housing Fund for Workers has granted more than 77,400 loans and FOVI [Housing Operation and Discount Fund] has financed more than 90,000 houses.

During the past three years, 29 trillion pesos were used to build 400,000 houses. This is an unprecedented record on which we will improve.

Approximately 10 years ago, we initiated a serious and consistent institutional process to attack environmental problems. We are making progress to resolve very old problems that have resulted in the waste of natural resources and in a continuous deterioration of the quality of life in the country's most important cities, especially in the metropolitan area of Mexico City. This is why we have made it obligatory for all federal offices and enterprises to consider the environment in all their projects and activities. Our decision to close the 18 March Refinery in Escaposalcu proves our position. On the site of the refinery, a park will be built that will be a recreational area for the citizens and a new lung for the city. [applause]

This decision cost 6,000 jobs and a loss of more than 1.3 trillion pesos. By taking this action, we satisfied a fair demand and established an example to be followed. The goal is to disperse, without harming productive activities or the rights of the workers, all the enterprises that harm the environment.

Credit lines for use on anticontamination devices have been put at the disposal of the nation's productive sector. We already have more precise ways to check contamination. We have technological ways to check air, water, and soil contamination.

Over 7,000 inspections have been made nationwide, and those companies that repeatedly violate the established norms have been partially or totally closed.

As a result of a great technological and production effort, the portion of lead in gasoline has been reduced by 85 percent. Since 6 June, we have (nova) gasoline that has 50 percent less lead and the new (magnasin) gasoline has practically no lead. This year we will reforest 93,000 hectares of land, which represents more than twice the annual average of the last eight years.

Our country has adhered to the International Convention on the Treaty of Endangered Species. Mexico not only defends the resources that belong to Mexico, but also contributes to ensure the permanence of biological cycle that are essential for life on the planet.

Mexico will not allow new industries that contaminate and are not accepted in other countries. In the same manner that we do not want dirty and obsolete industries, we do not want to see our land and seas turned into our own or anyone else's garbage dumps, particularly along the border.

An overall plan that covers from 1992 to 1994 has been established for this area, with an emphasis on the treatment of garbage and residual water. The purpose is to have ecological regulations that are strictly implemented and that can be matched on both sides of the border, thus protecting Mexicans.

Mexico City, which has the largest industrial and urban concentration in the country, has initiated a transition from an environmentally destructive economy to one based on balanced development. There have been doubts as to what kind of future the city would have. It will continue having many problems. There is no doubt that the nation's grand capital has a huge social and institutional potential to improve the quality of life. All of us can be proud of our capital.

We have also established a new balance in relations between the capital city and the other the states of the republic. Continuing a special budget arrangement, excess funds from fiscal subsidies and tax collections that went to the city can now be channeled to other regions to improve the standard of living and increase employment and productivity. This will help to break the vicious cycle of migration toward the center of the country.

The administration of the Federal District has given priority to three matters: 1) Maintaining an atmosphere of tranquillity that admits pluralism, allows ample exercise of public freedoms, and fosters a closer relationship between the government and its citizens; 2) Improving the administration of public services by tackling their financial problems and improving their capacity to resolve matters of interest to the people, such as the ownership of land, drainage sewers, drinking water, garbage collection, transportation, and security; 3) Making strategic decisions that will maintain the viability of the metropolitan area. The areas needed to replenish our water supply have been expropriated, limits on the spread of smog over wooded areas have been established, and one of the most ambitious anticontamination programs in the world has been implemented.

We planted 12 million trees in only four months, and we will accomplish much more in the next three years. This action to improve the environment is indispensable because the city continues to face serious environmental problems. In the Federal District it has been possible to combine urgent actions with long-term decisions for the overall improvement of the city, without disregarding minor decisions that are important to the city's inhabitants.

Today, residents of the city have a better outlook, they are becoming more aware of their responsibilities as citizens, and they have growing confidence in the future. Our generation would be unworthy historically if, as a society, we allowed so many of our compatriots to live amid poverty. Mexicans are, and always have been, a generous and humanitarian people, capable of hoping for the strength—and not the weakness—of others. This is a fact of our culture and of our innermost feelings.

The people of Mexico are united by centuries of experience, but they are also dignified people who in resolving their problems want neither gifts nor to be ignored. They want to be the authors and subjects of their own changes.

At the outset of my government, I focused attention on our most urgent needs. We needed then and we still need to establish a basic standard below which a Mexican

family will never live. It is simply a matter of illuminating the darkness with electrical power; of reversing unhealthy conditions with potable water, drainage, and the warmth of health services; and of eliminating insecurity with illumination and pavement, uncertainty with land titles, and arbitrariness with justice. We must prepare our children's future with worthy schools that no elementary school child will be forced to leave due to a lack of economic resources.

To confront the challenge of justice, we have sought unity and created a government program to encourage and support it, thereby joining the initiatives of groups in our society. The National Solidarity Program—I have been told throughout the country—now belongs to the people and not the government. This assertion, which I have repeatedly made, means that we have found an adequate tool, a means of working that brings together social demands and public services, democracy, and specific acts of justice by the government. This result encourages us and forces us to hasten our progress and perfect the program.

The most important aspects of the solidarity program were initiated in the communities and not at bureaucratic desks. They emerged from popular mobilization, plazas and streets, and people and communities. I have heard them say this during each of my 168 tours of the country since December 1988.

As we focused on basic services, the communities spontaneously made demands and organized themselves. Added to services essential to their progress were demands for productive activities that would make their well-being permanent. Solidarity has led to demands for sources of employment; it has led to the creation of production funds for Indian towns, peasant groups, and fishermen. Within months after bringing the Mexican people together with respect and work, we have accomplished what many nations have taken decades to accomplish.

In solidarity the best speech is one's deeds, and these speak as follows: over 64,000 solidarity committees have been established in low-cost neighborhoods, rural communities, and Indian towns throughout the country, which have carried out over 150,000 actions in almost three years of operation. Within this period, over 6 million Mexicans have been incorporated into the health service system, and the infrastructure for attention to the open population has increased by 40 percent compared to 1988.

Eight million more fellow compatriots have potable water, and over 10,000 communities have received electrical power, thereby benefiting 11 million Mexicans. Roads were paved in over 3,000 urban and rural towns, and 14,000 km of roads were built, repaired, and improved for the benefit of almost 2 million inhabitants in the most needy areas.

Likewise, 1.4 million children are being taught at new schools, and 50,000 schools have been repaired by parents and teachers through the Dignified School program. Almost 250,000 children are currently receiving cash scholarships that will assure completion of their elementary education without their having to leave school because their parents lack the resources to send them. They are also receiving food and medical attention.

More than 350,000 youths who provide social services have participated in the development of their communities. The number of free milk outlets has more than doubled and almost 7 million children now have access to this staple food. Twenty-seven million persons have access to low-cost store outlets and 1,000 food kitchens have been set up.

With the help of the Solidarity Program, postal service is being provided to 4 million residents of poor neighborhoods and rural areas. Municipal solidarity funds operate in 76 percent of the municipalities in the country. More than 600,000 peasants who till 2 million hectares of land participate in the Fund to Increase Production [Fondo para la Produccion]. Support is also provided to 190,000 coffee growers in two states of the republic and to 87 forest-exploitation enterprises in 21 states.

Close to 1,000 Indian organizations in 21 states have launched 991 production programs. Legal action was taken to procure the release of some 1,500 Indians and improvements have been made to 80 percent of Indian dwelling places.

Deeds have been granted to more than 1.2 million families in poor neighborhoods. In only three days we handed over more property titles than had been handed out in an entire decade. The deeds give the titleholders a sense of security that encourages them to invest in productive endeavors. I would like to stress that in the same manner in which the agrarian reform program responded to the needs of their peasant grandparents, today we are responding to those millions of Mexicans who live in our poor neighborhoods and who are the genuine heirs of those who launched the Mexican Revolution for ownership of the land.

The Second Week of Solidarity was held from 9 through 14 September. More than 13 million of our citizens participated. The results of the programs under way were evaluated, and suggestions to improve them were made. These facts have given birth to a new discourse with a different content: shared responsibility and self-esteem. The goals that have been met are an example of what organized and participative people can accomplish.

Services are being expanded at a faster rate than the population growth. This is allowing us to close the gap and take care of the Mexicans who are born each year. These facts provide a new basis for communication with the authorities; fulfilled promises give their words new ideological force. The new way of doing things with

participation, organization, and a true sense of democracy also provide us with a new morality. That is why we need a direct exchange of goods and services between peasants and workers: a sort of pact in which both sides reap advantages and the nation grows stronger through equality and effectiveness.

The territorial organization of the Solidarity Program in a nationally coordinated manner promises to invigorate Mexico. Social comptrollership will give the program financial honesty and will provide a way to exert community control over the use of funds by maintaining the budgetary controls established by law.

Solidarity works because it links what is new in our complex society with the traditional popular participative practices that history has taught us and that our communities are using today. Solidarity is democratic reform of the rank-and-file throughout our fatherland; it gives our nationalism a new dimension. Solidarity is giving us the long-term stability and social peace that our fatherland deserves. It has provided new links between the institutions and public servants. All of this is part of the state reform plan that I proposed to the Mexican people to bring the government's actions closer to the people. The solidarity program uses the language of action and participation. That is why, Honorable Congress of the Union, there is a solid basis for the hope that springs today. [applause]

Honorable Congress of the Union, countrymen: Today there is a renewed Mexican nationalism that is reflected in respect for human dignity. This nationalism sets up a new social base for the families that have the least. It is a new nationalism that builds roads of progress determined by the communities. It is expressed in organized participation and in the unity of the diverse voices of society, the regions, and the communities. It is a democratic nationalism that strengthens popular sovereignty and, as a result, national sovereignty before the world. Nationalism is an expression of the Mexican people's desire to fulfill their history.

This decision has given us a mandate for change; our nationalism shows us the road we must follow on all fronts. Today it demands that we consolidate our new links abroad as well as the state's new relationship with society so as to carry on the dialogue and concerted actions. We will therefore maintain the task of reconciliation with the diverse political forces and with all the sectors of society both at home and abroad, as we have been doing since the onset of my administration.

Our mandate is to change so as to survive, not to maintain the status quo. That is why we will continue to make and consolidate changes through dialogue. Internationally, we will continue to promote the diversification of our relations through intense political dialogue with our neighbors to the north: the United States and Canada. We also plan to pursue integration with Latin America, Spain, and Portugal. Consequently, we will expand our diplomatic initiatives in the region and negotiate free trade agreements so that there will be no limits abroad on the efforts we make at home.

We will strengthen our links with Europe and the Pacific Basin. By establishing new channels for dialogue, opening new markets, attracting investment and technology, by creating employment, our actions abroad will strengthen Mexico in the contemporary world.

In today's unipolar world, confrontation puts sovereignty uselessly at risk. Firmness and the diversification of relations is indispensable to strengthening independence. Rapprochement and respectful dialogue with the north, a profound intensification of relations to the south, and a closer relationship with the east and west are all nationalistic policies of our time. They are nationalistic in the same manner in which other policies were nationalistic in their time, and today's policies will likewise be as decisive as their forerunners for the permanence of the Mexico of the future.

In the interior of the country, we must continue fostering concerted agreements between the country's political forces to ensure that the electoral norms will fully respond to the people's expectations. Regarding the defense of human rights, we are going to strengthen the capabilities of the bodies that impart justice; promote a more rapid response to the decisions of the federal judicial body; and propose to you, messrs. legislators, to enshrine in the counstitution the protection provided by the National Commission for the Defense of Human Rights. [applause]

We will ensure that as part of the struggle against crime, the freedoms and guarantees of everyone in Mexico will always be respected. Any violation of these rights and instances of torture will be punished firmly in accordance with the law. We will continue to attack impunity with determination.

In my inaugural speech, I proposed to modernize the state's relations with the church. Political parties of the most diverse persuasions have also pointed out the need to update the framework of these relations. Allow me to remind you that in Mexico the current legal status of the churches is based on historic political and financial considerations and not on disputes over religious doctrines or beliefs. Consequently, any modification of these relations must specify what should change and what should remain the same.

Based on experience, the Mexican people do not want the clergy taking part in politics or amassing material wealth. [long applause] The people, however, do not want to live a pretense or misguided complicity. The idea is not to return to the existence of privilege, but to reconcile the definite secularization of our society with effective freedom of beliefs, something that constitutes one of the most important human rights.

It is for that reason that I am calling upon you to promote the new legal status of the church under the following principles: separation of church and state;

respect for the beliefs of every Mexican; and the permanence of secular education in public schools. [applause] We will promote coherence between the dictates of the law and the daily behavior of citizens, taking one more step toward internal harmony within the framework of modernization.

In terms of the economy, we plan to continue gradual growth at sustained rates. We want this growth to be amid stability to secure greater welfare for Mexican families. That is why we will redouble our efforts in the years ahead to lower inflation to below the 10 percent mark. We will reinforce fiscal discipline and promote the renewal of the Economic Growth and Stability Pact [PECE] with the agreed upon adjustments required by the current circumstances and the goals for next year. The PECE, as a mechanism for dialogue, has proved an invaluable instrument in feeling greater certainty, promoting investment, and obtaining better results from the efforts made.

To promote investment and expand the creation of jobs, we must increase domestic savings, chiefly through complementary savings programs that benefit workers and the middle class. We need to grow, and over 82 million Mexicans and the almost 2 million that join us every year require this. Mexicans do not want growth at any cost, however. It will not be a growth that concentrates wealth, but growth that promotes justice. It will not be growth that preys on nature and the great biological diversity that Mexico has and offers to the world. It will not be growth for some regions or just one branch or sector. It will be clean and more equitable and balanced growth throughout the country.

This is the challenge that the nation is undertaking and will overcome. For this reason, and considering the old and new challenges facing the country, we must expand our immediate response to advance over the long term structural changes required by the national interest, not just of this generation, but of future generations of Mexicans. We know, based on the experience of other economic recoveries of the past, that its benefits are not immediately reflected on everyone. So, in addition to growth, we will promote social development lest we keep the people waiting and despairing. We will not overdo something that has taken so much effort to achieve—stability, a low inflation rate, and the elimination of the heavy burden of the foreign debt.

That is why we have a social plan under way to work starting now for the sake of the people and for their benefit. This is the Solidarity Program. I plan to continue it throughout my administration with growing resources for the sake of the Mexican people. On structural terms, there is a widespread demand to act in two areas that are fundamental to the future viability of our nation—rural areas and education.

Agrarian struggles were essential in forging our nation. They constituted battles for freedom and justice in rural areas. We must derive useful lessons from them. Ignorance was not the motive behind the struggles of the men and women from rural areas. Instead, the struggles came about as a reaction to the country's realities. Intelligence and reason have pervaded those movements much more than passion. They expressed significant faith in the transforming power of law and contributed to the progress of the nation.

Thus, the peasant movement of the Ayala Plan of 1911 was the basis for the revolution. It gained constitutional status in Article 27. It achieved the first established classification of land early in 1934, and it has rightly become widespread since the 1930's in the institutional land reform, with the definition of communal land and small property. Presently, the struggle for liberty and justice in rural areas remain tremendously important. For their historic morals and correctness, they deserve and will deserve our profound respect and fervent and effective support.

In their daily efforts and daily customs, the peasants are showing us today that these struggles take place in a different manner, with different demands and social and direct control, building with their actions a new peasant reform.

Precisely because of this, and as the governments of the revolution had done at other times, the present government, representative of the nation and the peasants, must take into consideration the conditions of the republic and the world to respond to the agrarian struggle of this generation.

We must begin by admitting new realities. Our population is growing, but our territory remains unchanged. A total of 25 million fellow Mexicans live in rural areas alone. This is nearly twice the country's population in 1910, and the figure keeps climbing. There are 25 million hectares of tillable soil, of which 5 million are irrigated. The labor force in agriculture has reached 6 million persons. Production has increased, but productivity falls short of the mark. Small estates include those who share communal land and small-scale owners. Peasants must work more, but produce less. There is still much misery in our rural areas. The land distribution implemented more than 50 years ago was fully justified at the time and is well recognized at present for its commitment to the peasants. Fairness in rural areas was established in due time. To try to continue previous practices under the present circumstances no longer means prosperity for the homeland or justice for the peasants, not because the agrarian reform has failed, but because of the social, demographic, and economic situation to which the reform has contributed.

Two-thirds of the peasants who sow corn in the country have less than three hectares of seasonal lands per family. Many of them have only a few furrows. They cannot harvest enough to even satisfy their own needs.

The government is compelled, by constitutional mandate, to continue to distribute land. However, for many

years now, the effect of this land distribution has been contrary to its revolutionary purpose. The distribution has not been responsive to the spirit of justice imbued in the Constitution. Previously, the distribution of land was a means to impart justice. Today this practice is unproductive and is impoverishing the people. To continue along this path would be to betray the memory of our revolutionary forefathers, to disappoint the peasants who have already benefited from the distribution, and to deceive those who are waiting for new lands: men and women of flesh and bone, with hopes and dreams. They would, with good reason, be upset over mere statistical distributions on paper. These men and women are demanding clear alternatives for production that will incorporate them into the work force and into our national progress.

The time has come to change our strategy in the rural areas. We are at a crossroads. In keeping with the revolution's original ideals of freedom and justice and using our best institutions, we are going to join the peasants' new struggle. I am going to promote an overall program of support for rural areas. The program will use additional resources to build up capital; open avenues for productive, joint projects; and take steps to protect community living. This will require reforms to the agrarian laws; reforms that will clearly maintain the gains that have already been achieved and at the same time facilitate the peasants' future struggle for welfare and dignity. The decision is left to the sovereignty of this Congress.

We are not talking about a perfect solution, and we are not proposing to remedy the fragmentation of land ownership by returning to latifundiums. We need to sow a new seed of freedom and autonomy in the rural areas so the peasants themselves will be able to defend their interests with the support and respect of the state. All of this will be done so the ejidos, communities, ranches, towns, and other cooperative endeavors in rural areas will be more solid and democratic and so their efforts and work will yield greater benefits.

We are going to ratify the prevalence of the three forms of property ownership prescribed in the constitution for rural areas: ejidos, private ownership, and community ownership. They will continue to exist, but we are going to promote a profound transformation of the ejidos. [applause]

In 1915 the Zapata agrarian law carried the motto: Reform, Freedom, Justice, and Law. In this spirit and with the same goals, albeit under new circumstances and with the unique challenges of our time, we propose reforms to once again guarantee the Mexican peasants' freedom in their struggle for justice and welfare that will benefit our nation.

Education must be one of the government's and society's top priorities. The creation of institutions under Guillermo Prieto, Joaquin Baranda, and Justo Sierra; Vasconcelos' all-out offensive against illiteracy and his fight for national integration; Jaime Torres Bodet's struggle to increase the availability of basic education, establish parameters, and create educational material; these are education's greatest moments in Mexican history, and all were accomplished with profound nationalistic motivation.

These men were trying to unite and forge a nation, trying to protect it from foreign threats and internal disintegration. The unity they sought was the solution to the segregation, isolation, and discord of their times. That is why the federal centralization they helped to forge united the nation around common values, a single tongue, and a unique history.

We strengthened national integration through education. Education was an instrument of justice. It created opportunities where there had been none by eliminating local costs and deterrents and by forming a group of professional educators who had job security. These measures established the bases for equal opportunity for every single Mexican. Over time we have become aware of the limitations of this early effort and the need for changes, even though it is this effort that resolved the problem of accessiblity of basic education. We must improve the quality of education and shape it to fit the needs of particular communities.

We must develop a new relationship between the state and society. The future demands that the content and methods of the educational system be modified, according to nationalistic principles, to bring the quality of our education up to a level that will be competitive worldwide. The educational sector's link with the society it educates should transform its structures, its equipment, and its financing.

We have finished our evaluation of the educational system. We now have a true and reliable diagnosis of its problems, as well as the programs and methods necessary to achieve the sort of educational system that Mexico needs for the coming decades.

We are a nation, and we have a national educational system based on an impressive network of schools spread throughout the country. However, we must speed up the changes to bring about the just society we seek and to meet the demands of today's world. We will maintain the national education system, but, to shorten the distance created by centralization, we intend to bring the educational authorities closer to the schools and improve the administration of the education sector.

Public education will continue to be a lay function. It will be free of charge, and grade school education will be compulsory. Education is the best means of social mobility. We plan to reap the wealth of our regional diversity and strengthen the evaluation process by getting the community and the family more involved in the schools. We will increase the use of technology in the educational sector and will step up security in our schools.

We will increase the education budget and channel more funds toward excellence. We will hold society jointly responsible for funds for education. We will increase the curricular relationship between the national and regional levels by preserving and updating free textbooks and by promoting the freedom of education. We will stress a basic curriculum including history, language, science, mathematics, and social studies. We will emphasize the principal's academic requirements and strengthen the schools' technical councils to give teachers support. We will increase the relationship between mid- and high-level educational systems and the country's productive structures. We need to encourage quality in education. Education in Mexico will continue to be an ongoing process among the federation, the states, and the municipalities. Education will undoubtedly have new (?aspects) that are directed more at the municipal and state level than at the federation.

Our educational system has many well-prepared teachers. We will continue to raise their standard of living to ensure that they receive a professional salary. The proposed changes will allow teaching to be a socially respected and appreciated profession, thereby allowing teacher to better prepare our children for the Mexico of the future. Public universities will receive much-needed equipment. They will not receive open and indiscriminate subsidies, but funds for proven projects to improve teaching standards and funds to rebuild infrastructures worn down by years of crises. Better education will mean a better distribution of income and will allow for greater opportunities afforded by the economic changes. We must not forget that Europe and Asia attained economic power by virtue of their excellent educational system. Our intention is to attain that same quality.

Mexicans, there is a well-founded hope and vitality in our country. The changes we have undertaken and those we need to carry out increase the opportunities for most Mexicans. Some of these changes will take more time than others; all will require redoubled efforts and decisive actions.

I reaffirm that the country does not start or end with one administration. We work for the future, but for a better future. In today's world, an unchanging revolution collapses under the forces of change. However, revolutions that abandon their principles lose their essence and also collapse. That is why the changes we are making permit the Mexican Revolution to live. We changed the procedures because we are facing new domestic and foreign realities. It is precisely these changes that will allow us to come closer to the permanent goals of the great 1910 revolution: defending our country's integrity and sovereignty, broadening justice for our fellow Mexicans, increasing opportunities, respecting human dignity and liberty; and expanding democracy and organized participation. There are very few turn-of-the-century revolutions that still exist today. We have assumed the challenge of modernizing ours by nationalist and popular methods, and we are going to triumph. We will do it by establishing better foundations for the many years ahead. We will do it to ensure that our children and grandchildren have better times ahead. We will move forward with the people and for the benefit of all Mexicans; indians, peasants, workers, businessmen, professionals, intellectuals, artists, and the middle classes.

For the young, we will make quality education and job opportunities available. We will build a society for women that gives them security and respect and that will allow them to take advantage of their great talents. Let us give states and municipalities real opportunities to unleash their great local resources and creativity, to allow diversity to respond to the country's challenges, which can be a renewed source of national unity.

We need to work harder but under better living conditions. We need to continue to make efforts, but with good deeds that are accessible to Mexicans. We need to continue to work, but with tangible results, to give families a better outlook on life.

[Text] Tenacity and hard work allowed us to achieve our goals and fulfill our hopes throughout history. As president of the republic, I will continue to rule the country on behalf of all my fellow citizens, without distinction and without exceptions; but I will work harder for those who have less. I will strive to improve our situation during the second half of my term, without forgetting that there is much to be done. I will firmly remain loyal to the nation.

I will demand strict discipline; renewed efforts; and dedication among my associates, but without diverting their attention from the post that was entrusted to them so they may serve the people. I will always strive for a better quality of life for my fellow citizens. Our nation has achieved great feats throughout its history. It now has confidence in its vitality, and it is determined to make progress and to exert itself to the utmost because it seeks a better destiny.

Mexico is willing to achieve unity and progress. Our causes are just, and they are a source of pride. Our goal is the welfare of the Mexican people. There is renewed hope throughout our homeland. Let us, together, make this a reality. It is worthwhile. It is for our children. It is for Mexico. Long live Mexico, fellow citizens! [crowd shouts: Viva!] [applause]

Protest Against Cuban Embargo at U.S. Embassy

PA1111042491 Mexico City NOTIMEX in Spanish 2039 GMT 10 Nov 91

[Text] Mexico City, 10 Nov (NOTIMEX)—On 10 November, hundreds of people heeded the call issued by the National Committee of Solidarity With Cuba and formed a "human chain" from the U.S. Embassy to the UN offices and the Cuban Embassy.

The committee called for the action to protest the blockade the United States has imposed on Cuba for

more than 30 years. In addition, the committee is collecting funds to purchase and send Mexican petroleum to Cuba.

Beginning at 1000, the participants stood behind a 70 cm wide tricolor ribbon (with the colors of the Mexican flag) to form a "human chain."

The activity held by this committee comes at a time when the UN General Assembly is discussing the U.S. blockade against Cuba and Mexicans are involved in a campaign of solidarity with the Fidel Castro government.

The "human chain" ended with a rally in front of the U.S. Embassy, located on one of the main avenues of the Mexican capital. The demonstrators also tried to block access to the building, which was closed because it was Sunday.

A large barrier of riot policemen prevented the participants in the "human chain" from getting close to the security areas of the U.S. Embassy, which was at all times guarded by the riot police.

Committee spokesman Jorge Zaragoza said that the committee demands that the Mexican Government "categorically reject the U.S. blockade against Cuba." He also said that the Latin American countries in the United Nations should condemn the blockade as a violation of international law.

He said the "Going for Cuba" campaign is advancing and that the committee has been successful in its call to collect money to purchase 5,000 barrels of Mexican crude to send to Havana on 1 January, the 34th anniversary of the Cuban revolution.

Zaragoza said the committee has collected 60 million pesos (approximately $20,000). He added that on 13 November the committee will deliver a letter to the UN offices in Mexico to protest the U.S. blockade.

Cooperation Agreements Signed With France

PA1211025991 Mexico City XHTV Television Network in Spanish 0200 GMT 8 Nov 91

[Report by Rita Ganem in Mexico City]

[Text] Mexico and France maintain excellent relations and they signed two bilateral agreements on 8 November—one for cooperation in the customs sector and another to prevent double fiscal payments. Mexican Finance Secretary Pedro Aspe said that the agreement will grant much more legal security to trade, industrial, and financial operations between the two countries.

[Begin Aspe recording] This agreement grants an adequate fiscal system to Mexican residents who carry out operations in France and to Frenchmen who operate within our national territory, in Mexico. This will allow a greater flow of capital, assets, and services between the two countries. [end recording]

The two documents were signed by Finance Secretary Pedro Aspe and Budget Minister Delivate Michel Charasse, who emphasized the importance of joint participation in the antidrug struggle, through this agreement on the customs sector.

The ceremony was attended by Assistant Revenue Secretary Francisco Hill Diaz and Alain Rouquie, French ambassador to Mexico, among other officials from the two countries.

Cultural, Educational Accords Signed With Spain

PA1111021791 Mexico City XHTV Television Network in Spanish 0200 GMT 7 Nov 91

[Text] On 6 November, Mexico and Spain signed a cultural and educational agreement for 1992 and 1993 that seeks to expand and strengthen the cooperation between the two countries.

The program was coordinated by Alfonso De Maria y Campos, director of the Foreign Relations Secretariat Foreign Affairs Office.

Jesus Silva Herzog, the Mexican ambassador to Spain; and Delfin Colomes, the Spanish Foreign Ministry director for cultural and scientific relations, signed the agreement.

The program includes the creation of a Mexican Cultural Institute in Madrid in early 1992 to promote our culture in a permanent manner. This project will be accompanied by the establishment of a similar Spanish institute in Mexico. Another aspect of this cultural exchange program will be the refurbishment of the House of the Americas in Madrid, where Mexico will hold artistic and cultural events.

El Salvador

Government, FMLN Agree on 2-Day Talks Recess

PA1011125591 Hamburg DPA in Spanish 2126 GMT 9 Nov 91

[Text] Mexico City, 9 Nov (DPA)—Guerrilla Commander Roberto Canas announced on 9 November that the Salvadoran Government and guerrillas have agreed on a two-day recess in the peace negotiations being held in Mexico.

The spokesman for the Farabundo Marti National Liberation Front (FMLN) explained to the press that the recess, the first after six days of talks, begins on 10 November and ends on the afternoon of 12 November to allow the parties to take part in internal consultations.

Canas stated that the negotiations, centered on the topic of the Armed Forces, are at a complicated juncture, but he assured the press that the discussions between the government and the guerrillas continue to progress.

The guerrilla leader rejected the 7 November statements in Honduras by Salvadoran President Alfredo Cristiani, who said that the Salvadoran Government would not accept a reduction in or reorganization of the Army, one of the main topics in the current round of negotiations in Mexico City.

The Salvadoran Armed Forces will be "substantially" reformed, Canas said. He charged that the statements by Cristiani and other high-level government officials and Army officers have the objective of "playing down the significance of the agreements" reached with the FMLN at the negotiating table.

"They are trying to turn their back on reality," the guerrilla spokesman said. He added that the statements by government officials are an attempt to distort the content of the New York Agreement signed in September.

Canas also said that once a definitive cease-fire is signed, the FMLN will turn into a political party that will seek to form a coalition with other leftist forces for the 1994 presidential elections.

Commander Facundo Guardado, who will participate in the negotiations on the cease-fire, a topic that must still be addressed in the current round of talks, described as "positive" the fact that U.S. Government officials recently expressed support for a negotiated solution to the armed conflict in El Salvador.

Nevertheless, he said that this commitment should lead to "practical actions" such as the suspension of U.S. military aid to the Salvadoran Government and its replacement with aid to strengthen development and democracy in the country.

Government Notes Beginning of FMLN 'Offensive'

PA1211011391 San Salvador LA PRENSA GRAFICA in Spanish 11 Nov 91 p 62

[Text] Beginning on the night of 3 November, the FMLN [Farabundo Marti National Liberation Front] has launched a terrorist offensive which, like the two previous such offensives, claims lives and violates the human rights of Salvadorans, especially those of innocent civilians.

This is stated in a communique that the Salvadoran Government has addressed to the national and international community. In the communique, the government charges that this offensive includes terrorist activity involving rifle fire and explosive devices with great destructive power.

In this way, the FMLN has killed and wounded people in heavily populated areas of the capital and nearby towns and it has damaged factories, houses, and privately owned vehicles.

"The government condemns this criminal aggression against the people by the FMLN," the document states. "This is characteristic of the most barbaric and senseless of urban terrorism."

The government of President Cristiani has demanded that the FMLN comply with the agreement signed in San Jose, Costa Rica on 26 July, which called for avoiding activity that endangers the security and lives of the civilian population.

"The Salvadoran people" have vigorously demanded that the FMLN stop its terrorist actions, that it lay down its weapons, that it demobilize, and that it become part of the country's civilian life." [quotation marks as published]

The government stated that it is using the resources at hand to make known these violations in all international forums so that they will act against such condemnable crimes.

The government has also asked citizens to cooperate and support the Armed Forces by providing useful information to detect and neutralize the terrorist criminals.

The Salvadoran Government has also asked the international community to condemn this violence by the FMLN which, with its actions, is showing that, in its desire to seize power by force of arms, it does not hesitate to use any available means, no matter how immoral, illegal, or unjust.

Guerrilla Commaders Propose 'Immediate' Truce

PA1211224391 Paris AFP in Spanish 2111 GMT 12 Nov 91

[Text] Mexico City, 12 Nov (AFP)— The military commanders of the National Army for Democracy [END] on 12 November proposed to the government "signing a

pact declaring an immediate truce that includes an immediate suspension of offensive operations by both sides."

During a news conference, the commanders of nine guerrilla fronts noted that the government has threatened to withdraw from the negotiations "based on the alleged launching of a third military offensive by the FMLN (Farabundo Marti National Liberation Front)."

FMLN leaders said: "That allegation is false" because "the FMLN's military operations carried out over the past few days are defensive and in response to" the Army's offensive. Furthermore, "our operations could stop immediately if the warmongers gave up their offensive actions."

The guerrilla commanders said that President Alfredo Cristiani's threats of withdrawing from the peace talks "are aimed at exerting pressure on us, but we doubt he would commit such a political blunder." They added that Cristiani's position is the result of "internal contradictions within the government between those who are still opposed to the peace process and those who are in favor of continuing it."

The FMLN and the government scheduled a recess in the talks in Mexico City on 10 November, but on 11 November the commissions debating the individual points regarding the reduction of the armed forces and the creation of a new national civil police resumed their activities.

Clandestine Station Calls For Halt to Bloodshed

PA1011193691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Nov 91

[Station commentary: "Not One More Drop of Blood"]

[Text] The New York Agreements and the upcoming negotiations in Mexico City are guarantees that the Salvadoran conflict will soon be solved politically. The U.S. Government's decision not to give a single dollar more for the war in El Salvador makes it clear to the high command that no one is going to finance their military plan for 1992. While the battalions that will be disbanded as a result of the negotiations are deployed in the zones controlled by the Farabundo Marti National Liberation Front [FMLN], Armando Calderon Sol, National Republican Alliance president, betrays peace by attempting to prevent the United Nations from verifying compliance with the agreements on human rights and a cease-fire. At the same time, Colonel Mauricio Vargas adopted the intransigent and illogical stance of not accepting either a truce or a cease-fire in the upcoming Mexico City meeting.

On 2 November two civilians were injured in Las Vueltas, Chalatenango, during an Armed Forces operation. Another civilian was injured during an Air Force bombing in Morazan. How many innocent Salvadorans will have to die before the government can accept the truce demanded by the church and the country and proposed by the FMLN? If the word truce is what angers Cristiani, let us call it by another name, but let us negotiate in a suitable climate. Above all, however, let us spare the civilian population the suffering caused by the shelling and bombing of the Armed Forces. Let the economy recover without any type of military action. Let not one more drop of blood be shed.

The powerful FMLN—which successfully resisted the military onslaughts despite U.S. aid and succeeded in amending the Constitution and sitting at the United Nations as a serious and responsible political force—is the same FMLN that extends its hand to people at all social levels, even those who have opposed us. We are extending our hand to the patriotic officers of the Armed Forces and to all political forces because the time for national reconstruction is near in a democracy without fear or persecution that is open to one million countrymen who were forced to seek protection abroad. Our homeland is open for social justice, which is the only guarantee of a lasting peace. Here is our hand to begin the reconstruction for the future.

Rebels Denounce Army Attack in Quesera

PA1011193891 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Nov 91

[Communique by the Anastasio Aquino Paracentral Front of the Farabundo Marti National Liberation Front, FMLN, San Vicente Sector—date not given]

[Text] We want to report to the Salvadoran people, the international community, humanitarian organizations, and the UN Observers for El Salvador [ONUSAL] the following:

1. On 6 November, a ONUSAL delegation for the paracentral region headquartered in San Vicente and members of the Anastasio Aquino Paracentral Front of the Farabundo Marti National Liberation Front [FMLN] were meeting in the village of Quesera, El Obrajuelo Lempa Municipality, San Vicente Department

2. At approximately 1600 that day, units of the Jiboa Battalion of the 5th Infantry Brigade entered the village from three directions while the meeting was taking place and clashed with National Army for Democracy [END] units in charge of providing security to the participants in the meeting

3. The clash continued for one hour, as the END forces protecting the ONUSAL delegation broke up the enemy incursion. The ONUSAL delegation sought refuge at the local church. The Jiboa Battalion suffered nine casualties: three dead and six wounded. One of the wounded is a lieutenant

4. We hold Colonel [Carlos Rolando] Herrarte responsible for this attack that irresponsibly endangered the civilian population and the ONUSAL delegation.

5. We are linking this attack to statements made against the role being played by ONUSAL by prominent Nationalist Republican Alliance militants like Calderon Sol, by the Pro Peace and Work Organization, and by backward forces such as the (Asmitia Amelara) Anticommunist Front, which is closely linked to the FAES [Salvadoran Air Force]. They have repeatedly issued death threats

6. On the evening of 6 November, two A-37 planes indiscriminately dropped bombs and fired shells on the area around Quesera.

7. We hereby reaffirm our decision to defend the territory we control as well as everything else we have conquered at the side of the people.

This has been a report by the San Vicente Sector of the Paracentral Front.

FMLN Communique Accuses Army of Prolonging War

PA0811210691 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 6 Nov 91

[Communique issued by the Modesto Ramirez Central Front in Guazapa on 5 November]

[Text] 1. The Modesto Ramirez Central Front, Guazapa sector, accuses the oligarchic Armed Forces of prolonging the war. It has done this by intensifying its military operations against the territories under our control and against the popular movement throughout the country.

2. It is anachronic for the Armed Forces to argue in favor of continuing the war by citing a constitutional mandate because such an attitude is contemptuous of our people's desire for peace.

3. The FMLN [Farabundo Marti National Liberation Front] has set forth many proposals to end the war, but the Salvadoran Government has mistakenly interpreted this as a sign of weakness. Once again it is determined to defeat us militarily; this is an impossible dream for the Army.

4. We will disregard every effort to impose a military solution on the Salvadoran people. Our weapons will guarantee democracy and peace with social justice that will prevail in our fatherland when we oust the warmongers from the government.

5. Our 5 November actions were meant to strengthen the negotiations and defeat the terrorist groups who are opposed to them and who insist that we are negotiating out of weakness.

We urge all of the sectors in the nation to adopt consistent actions so a negotiated political solution will be established as the most reasonable way to end the war.

One hundred and eighty years after the first cry for independence, our weapons are fighting for true independence with democracy and freedom for all.

[signed] Joint Command of the Modesto Ramirez Central Front, Guazapa sector
[dated] 5 November 1991

FMLN Commander on Negotiations, Outlook

PA1311014191 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 9 Nov 91

[Interview with Fidel Angel Romero, commander of the 3d Military Region of the National Army for Democracy, END, by two-way radio from a guerrilla camp in Morazan Department, by unidentified reporter—live or recorded]

[Text] [Reporter] Commander Romero, Alfredo Cristiani recently stated that the increase in the number of acts of sabotage against the electrical system and the increase in the number of military actions by the END [National Army for Democracy] in different parts of the country endanger the negotiations currently underway in Mexico City. He added that the government delegation might leave the negotiations if the END continues with its actions. What is your opinion about these statements?

[Romero] With regard to your question about Cristiani's statements, we could say that... [pauses] perhaps we can comment on this. We met with some comrades one morning and discussed those statements—and the reasons for Cristiani's statements. Those statements are simply ridiculous. Cristiani is resorting to ridiculous blackmail to impress democratic groups, social groups, the FMLN [Farabundo Marti National Liberation Front] forces, and the END forces because the negotiations are irreversible. We say ridiculous because the agreements signed in New York... [pauses] his statements are intended to appease the most difficult, recalcitrant, and backward members of the Armed Forces, the Arena [Nationalist Republican Alliance] administration, and the oligarchy. We can mention names, including that colonel—what is his name—[Francisco] Elena Fuentes, Orlando de Sola, and many others. President Cristiani is under pressure from these groups.

The negotiating process is irreversible due to our people's courageous participation in the revolutionary process, and the attitude of the people and all the groups in general. We are on the verge of achieving a homeland with social equity and justice—for which we have paid a high social cost. The people have the right and the power to achieve the homeland that all Salvadorans want. This is the dream shared by all the fighters and leading citizens of our nation who died in the process.

We also commented here that Cristiani's image is that of a well paid and educated man who has been very careful during his first year in office. He has now taken off his mask and issued threats. He threatens the workers and social groups. He also threatens the END and the FMLN with leaving the negotiations, using operational issues as an excuse. Our operations are a legitimate reaction given the aggression we are currently withstanding on the war fronts. The civilian population bears the brunt of that aggression and we might add that his statements, which we consider a

ridiculous attempt at blackmail, actually represent an effort to achieve what his troops, his antidemocratic forces, have not been able to achieve on the battlefields.

[Reporter] Commander Fidel, important agreements have been reached in the negotiations. Although they are not tangible right now, they represent a chance to implement significant changes in the nation. What would be the outlook for our country given the changes and agreements reached in the negotiations?

[Romero] So far, we specifically have a number of agreements or pledges at the highest level, meaning UN Secretary General Javier Perez de Cuellar, President Cristiani, and the FMLN General Command. Those agreements or pledges were assumed in New York. We have specifically achieved a list of agreements and our people welcome them. Like I said, recalcitrant groups see this as a threat that they will lose their political, economic, and military monopoly, because they have owned everything for many decades.

I believe that the future of our nation, social groups, other groups, our people, and our homeland will be possible through struggle. The struggle... [pauses] it is true that the war is about to end, but the struggle to implement the agreements continues. The final phase of this war is becoming much more bloody because it is a struggle between the priority interests of the people and the traditional interests of the country's backward groups, meaning the oligarchy. Therefore, we must struggle, achieve progress, organize ourselves, step up our organizational methods, and follow up the efforts exerted by the country's best sons.

[Reporter] Thank you, Comrade Commander Fidel Angel Romero for this interview with Radio Venceremos.

Rebel Commander Explains Political Strategy

PA1111225891 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Nov 91

[Interview with Commander Gustavo Amaya, of the Francisco Sanchez Northeastern Front of the Farabundo Marti National Liberation Front, FMLN, by two-way radio from a guerrilla camp in Morazan Department by unidentified reporter—live or recorded]

[Text] [Reporter] Commander could you tell us the political reasoning or intention behind the military actions being carried out by the National Army for Democracy [END] throughout the nation at a time when negotiations are underway in Mexico City?

[Amaya] Basically, our military actions have two objectives. One has to do with the fact that ultrarightist and economically powerful sectors in the country and the Armed Forces High Command refuse to admit that the country needs change.

This position was made evident recently by statements from the Azmitia [anticommunist] Front and by the For Peace and Work Movement.

These sectors are trying to defeat the New York Agreements through public statements and by promoting a military effort in areas under FMLN control to try to demonstrate that there is no military standoff in the country.

[Reporter] Commander, the Armed Forces have been carrying out operations in Morazan Department for two months. What has the Army achieved with these operations against our territories?

[Amaya] We could say that they have achieved no objective. We have to remember that for the past two or three months, the Army has been implementing a huge military campaign and has set in motion all its elite forces and battalions throughout the country.

The antidemocratic Army has been operating on all fronts to demonstrate that the FMLN has no territory under its control. In view of this situation, we believe that this High Command objective has backfired because now it has been made clearly evident that the END has been operating in the capital and along highways. We are affecting the electrical power sector. What they are doing is making obvious that in the country there is a military equilibrium that cannot be broken despite a big government effort. The Army and the ultrarightist sectors have been trying to tip the balance.

We could summarize this by saying that the plan designed by the High Command and the ultrarightist sectors has been a complete failure.

[Reporter] Commander, now that the war is coming to a conclusion, what message would you like to send to the END fighters and to our people in general?

[Amaya] We have to clearly understand that we are in the stretch that leads to the finish line of the negotiations. However, this does not mean that we can let our spirit wane. We must further enhance it because there are sectors, as I said at the beginning of this interview, that are trying to prevent a purge of the Armed Forces, the triumph of justice, and the participation of all the sectors in the National Police. These ultrarightist sectors want to prevent the peasants from receiving land.

Regarding the guarantees that these changes do take place in the country and that the negotiations do result in definite peace, I can say the following: Yesterday I heard several FMLN fighters who were taking part in an activity on the outskirts of San Salvador say that if in El Salvador there is no peace, democracy, justice, and land for the peasants, the END fighters and martyrs and the Salvadoran people cannot say: mission accomplished.

Honduras

Salvadoran President Grants Interview

PA1311033091 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0300 GMT 8 Nov 91

["Exclusive" interview with Salvadoran President Alfredo Cristiani by unidentified reporters on the Temas y Noticias Newscast in Tegucigalpa on 8 November—live]

[Excerpt] [passage omitted] [Reporter] On previous occasions members of the Honduran Armed Forces have said that they see in the Salvadoran Armed Forces a possible adversary or opponent. What is your opinion of the Honduran Army?

[Cristiani] I think the Honduran Armed Forces should rule out that possibility. El Salvador is not in a position to continue its military activities. What we want now is to end our internal conflict and move on to a period of peace and progress. We are not thinking of any military activity, especially not against a friendly nation.

[Reporter] Does the Salvadoran Armed Forces hold the same opinion?

[Cristiani] Yes, they have the same opinion.

[Reporter] Regarding the internal conflict, we understand that the Salvadoran people have gotten used to living with war. Is this true?

[Cristiani] Let us say that the community has adapted itself to war, but I would not say that one can get used to seeing one's children die or see other children become orphans. No one can ever get used to this. What has happened is that we have had to learn to survive in this atmosphere. The Salvadorans attempt to survive and progress despite the war, but I think that the dearest wish of all Salvadorans is for the conflict to come to an end.

[Reporter] Mr. President, [words indistinct] how can the Honduran and Salvadoran Armed Forces stop being military adversaries?

[Cristiani] I believe that trust must be generated through rapprochement and communication. Direct communication is very important between members of the Salvadoran high command and their Honduran colleagues; we think this will generate trust. There must be trust; there is no reason not to have this trust.

[Reporter] Could the appearance of El Salvador, at least its Armed Forces, as a potential enemy give way to a good justification or excuse not to demilitarize?

[Cristiani] I believe this must be looked at from a different point of view. One cannot pretend that El Salvador is going to demilitarize or reduce its Armed Forces while we have an internal armed conflict going on and must defend ourselves. To put it very bluntly, the Salvadoran Armed Forces emerged as a result of the internal conflict and not for any other reason. It is logical to think, and we have said so publicly, that once the Salvadoran internal conflict is over, the Salvadoran Armed Forces will be reduced.

[Reporter] President Cristiani, yesterday we received reports through the international media on your statements that El Salvador is not willing to reach any agreement with the Farabundo Marti National Liberation Front [FMLN] on an armed peace.

[Cristiani] That is correct. We will not accept an armed peace. What we want in our country is a definite end to the conflict and not [words indistinct] or that we are going to indefinitely have armed groups here and there. I think the New York Agreements are very clear in this regard; we must arrive at a definite cease-fire whereby these rebels must turn over their weapons and join Salvadoran life. The agreement that initiates the process states: The rebels must join the nation's political, institutional, and civilian life within a totally legal framework. This does not mean an armed peace but an unarmed incorporation into Salvadoran life.

[Reporter] When a peace without arms is mentioned, does this also mean that the Army will not be armed [words indistinct]?

[Cristiani] Of course not. The institution of the Armed Forces is a democratic and constitutional institution. The FMLN is an irregular armed group that is completely illegal. As far as the Constitution is concerned, this irregular armed group cannot survive in the country. The FMLN's incorporation into the country's civilian and political life must be accomplished in accordance with the law, and the law [words indistinct].

[Reporter] There is talk about a reorganization of the Salvadoran Army.

[Cristiani] As I have already explained to you, after the end of the internal conflict, the Armed Forces would have to be reduced to the normal levels of a country in times of peace. The Armed Forces are a Salvadoran institution at the country's service.

[Reporter] What is the outlook of the dialogue between your government and the guerrillas? What are the issues blocking the negotiations and preventing you from reaching a peace agreement?

[Cristiani] There were some points that the FMLN was trying to obtain through the peace process. These points were unacceptable to the government. Thus, we were unable to advance at the right pace. They were asking that the Armed Forces be dismantled. They wanted to be reincorporated into the Armed Forces or the national police. These requests were completely unacceptable. As they join Salvadoran life, they can join a political party if they want to. They cannot do what they wanted to do.

In New York, the FMLN vowed before the United Nations and in writing to desist from all these efforts. An

agenda was drafted with small specific points that should be the last to be negotiated or discussed.

[Reporter] What are these points, Mr. President?

[Cristiani] Well, they include the Armed Forces issue and some points that were pending: the social and economic report drafted in New York [words indistinct]; constitutional reforms, such as electoral matters; verification aspects, the establishment of a schedule for [words indistinct]; and suspension of the armed confrontation. All these issues still need to be discussed, and there will be no more [words indistinct]. The FMLN promised to discuss this agenda [words indistinct], and that would be the end of the conflict.

[Reporter] But how can you be involved in negotiations when there is always talk about confrontation?

[Cristiani] It is something that must be taken as it comes. The conflict will not end until an agreement is reached. This is why it continues. I fully agree with you that [words indistinct] especially at this point in the peace process [words indistinct] for them to increase their action, as if they wanted to further the destruction of a country that they are about to join. It is illogical to think that if they are to be that close to peace [words indistinct]. This is completely illogical. It is very contradictory. The FMLN has always thought that through an increase in violence it will make us yield more. It thinks that this will give it an advantage at the negotiating table. This is completely wrong. Unfortunately, the FMLN does not understand that. The government does not negotiate through blackmail. We have clearly stated that general goals to benefit everyone should prevail in the negotiations. To seek alternatives that will bring about the benefit for all we do not [words indistinct].

[Reporter] There is an international [words indistinct] that the guerrillas have said that the obstacles for the advancement of the negotiations [words indistinct] reorganization of the Armed Forces and the creation of a national civilian police force that would include members of the FMLN [words indistinct].

[Cristiani] That is completely false. Regarding the evaluation of the officers to determine who would not be apt to continue in the new armed forces [words indistinct] in times of peace, has been practically decided and agreed upon. There has been some discussion as to whether members of the evaluating commission should be Salvadoran or foreigners. We said they should be nationals because it is a Salvadoran institution; we should not have foreigners evaluating our people.

Regarding the national police, the FMLN is wrong. In New York it was agreed that all those former fighters—by former fighter we mean those persons who have surrendered their weapons and for whom the conflict has ended—who wish to become public security officers can do so by simply complying with the necessary admission requirements and graduating from the public security academy.

[Reporter] Are you referring to members of the FMLN joining the national civilian police?

[Cristiani] If they comply with admission requirements and pass the public security academy course, like any other person who takes full advantage of his rights, they can compete for an opportunity in this profession. This does not mean that the FMLN has any first claim to automatically incorporate a certain amount of its members before the end of the conflict, a disarmamament, or a demobilization. We will not accept this.

[Reporter] President Cristiani, how can there be any coexistence between a antisubversive police force and a police force made up of former subversives?

[Cristiani] We believe that if a former FMLN fighter meets the admission requirements, is trained in the public security academy, and becomes a good public security agent, that is part of El Salvador's future.

[Reporter] The Salvadoran defense minister accused Nicaragua of continuing to send weapons to the Salvadoran guerrillas. Is that true?

[Cristiani] It must be made clear that the Nicaraguan Government is not facilitating, as it did in the past, the shipment of weapons from Nicaragua to El Salvador. However, there are still some members of the Sandinist Army engaged in those activities.

[Reporter] Does this mean that President Chamorro has no control over those people?

[Cristiani] What I mean is that now it is done clandestinely, because obviously they cannot do it with the approval of President Chamorro's Government. Those clandestine activities exist. However, I am not evaluating the Nicaraguan president's control over those activities.

[Reporter] Who decides whether or not the war will continue in El Salvador?

[Cristiani] The FMLN. Once the FMLN realizes that there is no future in violence and that it is only shedding the blood of more innocent people, it will be ready to incorporate its members into society.

[Reporter] Is there international pressure for peace in your country? [words indistinct]?

[Cristiani] I do not think there is any pressure for peace. I would say that there is support for the peace process. We must remember that this process was not imposed on us. Since we assumed power, in our inaugural speech, we said we were willing to engage in a peace process, as long as it was a serious and continuous process that was based on realistic positions. Thank God, the process is underway and we have had the support of our Central American counterparts and other Latin American countries.

[Reporter] And also from the United States?

[Cristiani] Yes, also from the United States.

[Reporter] What is your opinion of U.S. foreign policy with regard to Central America's demilitarization?

[Cristiani] I think the United States is trying to develop a policy of consensus toward Central and Latin America. For the first time we have seen a real effort on the part of President Bush to look at Latin Americans as friends and allies, and not under the North-South concept that has ruled relations in the past. However, I still do not see a well-defined and consistent U.S. policy toward Central America. Instead, I see an individual policy toward each country. As for the demilitarization process, the United States has clearly said that it supports the regional peace process and the Esquipulas II Agreements and that regional problems must be resolved by the governments in the area. At least in my case, I have felt no pressure.

[Reporter] Would you say that U.S. support for El Salvador amounts to $1 million a day?

[Cristiani] It is less than that. We have received $230 million in economic aid and approximately $80 million in military aid.

[Reporter] Has U.S. aid for your country decreased or increased?

[Cristiani] It has continued. However, for several years, U.S. aid has been reduced gradually. This has not only occurred in Central America, but also worldwide, because the United States is reducing its foreign aid.

[Reporter] Does your country depend on foreign aid?

[Cristini] We believe that once the conflict is over, and with good economic policies, our country will again stand on its own two feet.

[Reporter] Do you believe that the Central American Parliament [Parlacen] is a figurehead organization, Mr. President?

[Cristiani] No, it is not a figurehead, it is a process. The Parlacen has just been formed and I think that we should support it so it can truly become a forum where countries can exchange ideas. Eventually the Parlacen can even be given some specific tasks. It is too soon to judge the Parlacen because it was established only last week....

[Reporter, interrupting] Can it work without Costa Rica?

[Cristiani] Yes, it can.

[Reporter] [Passage indistinct]

[Cristiani] Each country has to resolve its own domestic problems and make its own decisions. Regrettably, a consensus among the various political groups has not been possible in Costa Rica and this has prevented the Parlacen from being ratified by its Congress. We hope government efforts to attain this necessary consensus will continue and that Costa Rica will eventually join the Parlacen.

[Reporter] With the reduction of U.S. economic aid to these Central American countries, would you demand greater (?debt repayment) flexibility from the United States?

[Cristiani] I would not demand more flexibility. I believe our countries have the capacity to increase production levels, economic development, and social well-being. Certainly aid always helps, but I believe that we must resolve our own problems and not just sit around waiting for aid. The aid is welcome, but it must be in addition to our own great effort.

[Reporter] Is there a Salvadoran alternative for El Salvador?

[Cristiani] Definitely.

[Reporter] Mr. President, when [word indistinct] payment facilities, this is because a great part of Honduran bilateral debt with the United States was recently forgiven.

[Cristiani] Yes, Honduras and Nicaragua benefited under that program. In the case of El Salvador, we are working within the framework of President Bush's Americas Initiative and we are about to meet the requirements that will make us eligible for a debt reduction plan.

[Reporter] The last question for this evening, Mr. President: What role does private enterprise now play in El Salvador with regard to the conflict?

[Cristiani] I believe that Salvadoran private enterprise has shown great courage in withstanding completely unjustified and merciless destruction by the FMLN [Farabundo Marti National Liberation Front]. Despite this, the production sector has continued investing and has managed to keep El Salvador within what I would call acceptable levels, given the difficulties it is facing.

[Reporter] What about foreign investment, Mr. President?

[Cristiani] Foreign investment is quite small. Obviously, when a foreigner seeking security for his investment sees that there is an internal conflict, he knows that this does not offer the best opportunity. We believe that once the conflict is over, foreign investment will return to the country.

[Reporter] Allow me one more question. The court decision in the Jesuit case found guilty only two of the many people accused while the rest were acquitted. Was this because a guarantee of impunity was made, Mr. President?

[Cristiani] No. I believe that the situation was quite the opposite. I feel that the investigation and the judicial process has been carried out in a very open way. The justice system took those accused as far as possible. In any judicial system, as in our country, the people's

conscience decides in the end through the jury. This was the case in this trial, and we must accept that decision.

[Reporter] Mr. President, could an increase in the hardships the economic adjustment policies have caused the majority of the population in El Salvador, Costa Rica, Nicaragua, Honduras, and Guatemala reignite the kind of violence we saw during the 1980's?

[Cristiani] The adjustment plan is to stabilize the economy to establish an economic foundation for development. Once this stability has been achieved, the plan will be completed. The adjustment plan is designed to help governments make financially responsible decisions and sensible policies. This will allow better development of production forces. Once we reach the goal of stability and the development process begins, there will be no further need for adjustment plans.

[Reporter] What does El Salvador plan to get out of the upcoming Presidential summit, which will be held in this country in December?

[Cristiani] We are pleased to see the planned discussion of social issues, especially since the main topics will be about children. They are the true future of Central America and we should take better care of them. They are going to guide the destiny of our countries in the future and we must provide them with the proper environment.

Furthermore, I believe that we should pursue our integration policy and continue analyzing the process. Bilateral agreements have already been reached between Honduras and Guatemala, and Guatemala and El Salvador. I hope that during this visit we can set the groundwork for an agreement between Honduras and El Salvador, but this cannot be accomplished overnight. Of course, we must not forget that we have not yet achieved political stability in the region and that we must continue working for peace throughout Central America.

[Reporter] Speaking on behalf of myself and our viewers, Mr. President, I thank you for this appearance. What would you like to say to the Honduran people?

[Cristiani] First of all, I must thank you for this opportunity to express Salvadoran views and to explain problems we are currently facing and that we must face in the future. This has been a valuable opportunity for the Honduran people to learn a little about the current Salvadoran viewpoint. And, of course, I must extend a very cordial greeting to the Honduran people. I am very pleased with my reception; I have felt at home here and I hope to reciprocate whenever you come to El Salvador.

[Reporter] Thank you very much, Mr. President. Thank you, dear viewers, for joining us on "Topics and News." Good evening and may God bless you.

Nicaragua

Godoy Comments on Recent Violence, Power Vacuum

PA1311124991

[Editorial Report] Managua Radio Catolica in Spanish at 1430 GMT on 11 November carries an 18-minute interview with Vice President Virgilio Godoy Reyes during a call-in program.

The station announcer asks Godoy if, in his opinion, the parliamentary commission should continue with the process to officially strip former President Daniel Ortega of his parliamentary immunity or if Ortega's decision to voluntarily give up his immunity is enough. Godoy replies: "It depends. Since this is strictly a political matter, it depends on how the members of the commission view their role. For some it could be an opportunity to avoid their responsibility, saying that this is as far as they will go because Article 7 of the Immunity Law grants the person involved the right to surrender his immunity. However, I believe that the last part of Article 11 could also be interpreted as authorization to the commission to retain parliamentary jurisdiction and take the pretrial hearing to its final phase and turn it over to whomever must give it continuity." Godoy adds: "I believe that Ortega's advisers gave him good counseling in the sense that the stripping of parliamentary immunity would be considered an inevitable political defeat. There is another aspect: Contrary to what occurred in the past, the stripping of parliamentary immunity more or less represents the beginning of a process. It is like establishing the initiation of a process. In other words, by stripping someone of his immunity the assembly would be adopting a position in the sense that there is reason to presume that the person involved is guilty, because if he were presumed innocent, there would be no need to strip him of his immunity."

Later in the program, Godoy comments on the recent violence in Managua, saying that "one of the main problems in the country is the indiscriminate distribution of weapons; not really indiscriminate, but discriminatory, because they are in the hands of the followers and militants of the red and black party [Sandinist National Liberation Front, FSLN]." He added: "There are two states functioning simultaneously. The regular state headed by the government of the Republic and a parallel state headed by the armed red and black party. It is armed, because it controls the EPS [Sandinist People's Army], the police, security corps, and the armed mobs, in other words, armed on all sides. As long as this is not resolved, there is no possibility of duly resolving the crisis of [words indistinct] or the crisis of authority."

At the end of the program, Godoy says that "there is terrorism which is handled at various levels and by various means. There is even terrorism in the media, such as that promoted by Radio Ya and other media controlled by the FSLN, which have been encouraging this wave of violence in the country. However, probably no legal action will be taken against those media for

inciting rioting, destruction, and death." He adds: "Again, this shows that there is a vacuum of authority—a power vacuum that sooner or later will have to be corrected by the government itself, and by the decision of the Nicaraguan people, who must demand strict and absolute compliance with the law, on an equal basis for all."

Commentary: Attack on Fonseca Tomb Hides Plot

PA1211030191 Managua EL NUEVO DIARIO in Spanish 10 Nov 91 p 3

[Editorial: "The Criminal Reaction of Powerless and Frustrated Individuals!"]

[Text] What has happened now is the same thing that happened when the murderers of Pedro J. Chamorro buried themselves instead of burying the Martyr of Public Freedoms.

What has happened now is the same thing that happened when they thought they had killed the revolution by killing Carlos Fonseca and did not calculate that all Nicaragua would belong to Carlos within a three-year period.

The Somozists were frustrated because they could not try Daniel Ortega. The rightists were feeling completely powerless because they had fantasized that the FSLN [Sandinist National Liberation Front] was divided and diminished and that their dream was crushed with the massive concentration of people on the anniversary of Carlos Fonseca's death. Thus, early on the morning of 9 November, they carried out a new criminal attack. This time, they used dynamite against the tomb of the FSLN founder and father of the Sandinist people's revolution.

All the physical evidence points to the terrorist [Managua Mayor] Arnoldo Aleman as the mastermind (?) [question mark as published] of this attack. But in reality, behind this action there is an all-out plot that has been prepared in different sectors of our national life.

National Assembly President Alfredo Cesar, Vice President Virgilio Godoy, Mayor Arnoldo Aleman, and the ever-present hand of the you-know-which embassy, have been pushing toward confrontation and clashes as a way to exterminate Sandinism.

These irresponsible individuals expected two possible reactions to their plan to bomb Carlos' tomb: Either, a timorous Sandinist reaction, which would have prompted stronger attacks by them in the future, or, an anarchic outburst of the people's anger that would topple the government and would have paved the way for yankee intervention.

Once again, however, the Sandinist wisdom did not allow them to have any such satisfaction.

The culprits will not go unpunished and the country's stability will be preserved. So be it.

Managua Mayor Denies Responsibility for Attack

PA1211013691 Paris AFP in Spanish 2113 GMT 11 Nov 91

[Text] Managua, 11 Nov (AFP)—Managua Mayor Arnoldo Aleman on 11 November accused the Sandinists of committing a "self-inflicted attack" on the monument to their leader, Carlos Fonseca, in Managua on 9 November to lead the country to "chaos and destabilization."

In a news conference held in front of the municipal building that was burned on 9 November by suspected Sandinists, Aleman denied he was the "mastermind" of the attack on the mausoleum of Carlos Fonseca, founder of the Sandinist National Liberation Front (FSLN).

The partial destruction of the monument, located in front of the Plaza of the Revolution in the center of Managua, angered thousands of Sandinists, who burned vehicles and the municipal offices.

Aleman's residence, located 25 km south of Managua, was the target of a dynamite attack early on the morning of 10 November. When the municipal offices were being set on fire, Aleman was in Guatemala, participating in a seminar on "Peace and Democracy."

The Managua mayor also criticized the police for their "passivity" during the violent events on 9 November, when four municipal vehicles were also burned.

Aleman said that former President Daniel Ortega, secretary general of the FSLN, who last week relinquished his parliamentary immunity, is now a "common citizen" and as such must answer to the authorities if he commits any crime.

The mayor leads the Liberal Constitutionalist Party (PLC), which has accused Ortega of inciting the people to "armed insurrection" and for this reason has called for him to be brought to trial.

Daniel Ortega Surrenders Parliamentary Immunity

PA0811233291 Managua Radio Sandino in Spanish 1200 GMT 8 Nov 91

[Text] Former Nicaraguan President Daniel Ortega has announced he surrendered his parliamentary immunity, and he is willing to face the Somozist traitors. He also challenged [National Assembly President] Alfredo Cesar to do the same.

The former president took this action, as there is a possibility some legislators are planning to request that the National Assembly strip him of his immunity. This request would be based on the alleged charges of association with criminal intent in view of the call he made to establish militias to counter actions by the guards of Managua City Mayor Arnoldo Aleman.

Daniel Ortega challenged Alfredo Cesar, who was accused by the U.S. magazine NEWSWEEK of being the

main recipient of the CIA assistance for the National Opposition Union in the past elections.

Letter to Legislative Assembly

PA1311003791 Managua BARRICADA in Spanish 9 Nov 91 p 3

[Letter from Daniel Ortega, Secretary General of the Sandinist National Liberation Front, to the Nicaraguan Legislative Assembly's Board of Directors in Managua; dated 7 November]

[Text] Legislative Assembly Board of Directors. Gentlemen:

It has been reported that Rodolfo Mejia—founder of the so-called Agrarian Institute, which operated during the Somozist military dictatorship—and Mr. Frech [National Revision Commission member] have asked the Legislative Assembly to deprive me of my parliamentary immunity.

Once again the Somozist specter, which we believed had vanished from our nation, has arisen with its murders, its corruption, its evils, and its destruction that plagued Nicaragua for more than 40 years. This specter revives the old conflict between the Sandinists and the antipatriotic Somozists. This conflict emerged when the founder of the [Somoza] dynasty, "Tacho" [Anastasio] Somoza, murdered Augusto C. Sandino, the general of free men.

Somozists now hold seats on the Legislative Assembly in violation of our laws, and what is even more serious, in violation of our Constitution. The first paragraph of Article 5 of the Constitution outlaws all those who "attempt to return to the past or who advocate a similar political system." This passage refers to "past Somozism," which is not specifically identified to prevent staining our Constitution.

As an example of Somozism and immoral conduct, we can look at Mr. Mejia, the Agrarian Institute's first president, who founded this institute as a front for the feared National Security Office (OSN). Mejia gave this institute a pseudo-religious facade to enable him to commit his crimes with greater freedom. He organized a colonial agrarian system in which peasants cleared hazardous land that was passed on to large landowners once the land gained a certain value. The institute also served as a strategic, repressive, and criminal cover that was used against the peasants. As if his past was not enough, he is now attempting to revive the policies of the Agrarian Institute.

The other person who signed the petition, Mr. Frech, is a member of the National Revision Commission. We all know what this commission has done with its famous "little papers," a way to return property to notorious Somozists.

With the backgrounds of those accusers, I do not need any defense; the people and history condemned them long ago. The only immunity that I have is the one that the people gave me when they helped me survive years of persecution while I lived in hiding and while I spent years in jail suffering torture at the hands of the same people who now seek to accuse me. I do not need this immunity, which they attempt to deprive me of in an absurd political trial. I give it up and take the immunity granted to me by the people.

Free Nation or Death.
[Signed] Daniel Ortega Saavedra.

Managua Archbishop Condemns Wave of Violence

PA1211192791 Managua BARRICADA in Spanish 11 Nov 91 pp 1, 12

[Article by Marcio Vargas]

[Text] In an unusually severe manner, Cardinal Miguel Obando y Bravo, referring to the recent acts of violence, stated on 10 November that "this is getting worse with each passing day and I expect the Presidency of the Republic to do something to implement necessary controls."

Cardinal Obando y Bravo predicted that "any one of these days some well known personality will be killed" in Nicaragua. He described the 9 November violent acts, the attacks against the home of political leaders, and the "attack against the mausoleum of Commander Fonseca Amador" as "terrorism."

In addition, the Managua archbishop emphasized that "I condemn all acts of terrorism, which did not begin overnight" and "those events only serve to discredit Nicaraguans in the eyes of the international community, and negatively affect the economy."

Obando was unusually cheerful and smiling at the end of a mass held in the Masaya community of Ticuantepe, near Managua.

Approximately 1,000 persons participated in the mass outside the local parish. As a gesture of affection for Cardinal Obando, parishioners offered baskets loaded with fruits and vegetables. Security agents in charge of protecting the cardinal had to put the gifts in two vehicles used by the committee accompanying the religious man.

After the mass, parishioners lined up to have their photograph taken with the popular cardinal. Afterward he participated in a open lunch in a small park, where a mariachi group played. Ironically, a pure bred horse grazed near the park, close to a monument marked with graffiti from the previous elections supporting the Sandinists, which read in English: "Peace, love, and kisses."

"There Is Anarchy"

But Cardinal Obando's was less visibly cheerful as he was approached by a small group of reporters. Although courteous, he answered all the questions very severely, as

if reciting his answers. "This is very troubling, because I followed the events that unfolded on 10 November very closely, and I became very concerned when I heard Radio Ya announce that it was time to burn the mayor's office. One hour later they were burning it and there were no police to prevent it. Therefore, there is anarchy."

Even though he acknowledged that the government "is making an effort to establish a dialogue", he warned that "willingness is needed on both sides for the dialogue not to end in mere words."

Cardinal Obando added that "if a government enacts a series of laws, it must have the necessary means to enforce them and that is exactly what this government lacks."

He continued by stating that "what is needed is a state based on obedience of the law. This entails serious and in depth consideration."

Obando directly avoided voicing an opinion on the content of former President Daniel Ortega's speech delivered in the Plaza de la Revolucion on the afternoon of 10 November. During his speech, the Sandinist leader accused Vice President Virgilio Godoy, Managua Mayor Arnoldo Aleman, and National Assembly President Alfredo Cesar of promoting the antagonism and violence currently taking place in Nicaragua.

Cardinal Obando did offer an indirect reply on this issue. Unfortunately, his reply was not clear enough to indicate whom he was referring to when he pointed out that "violence begins with the language used, since when language is aggressive, it will find its response."

FSLN Commander Warns of Plans To Kill Leaders

PA1211011991 Managua Radio Sandino in Spanish 1200 GMT 9 Nov 91

[Text] During an event in Matagalpa on 8 November to mark the anniversary of the death in combat of Commander Carlos Fonseca, Commander Tomas Borge [former interior minister during the Ortega administration] charged that there are plans to assassinate Sandinist Front leaders, including members of the National Directorate. At the event, Tomas Borge challenged the rightist leaders to meet with the Sandinists in any field. This was supported by the people of Matagalpa, who on 8 November paid tribute to Carlos Fonseca, founder of the FSLN [Sandinist National Liberation Front].

Borge also urged the people of Matagalpa to support the workers of Matagalpa's Radio Insurreccion, who are being threatened by [name indistinct], the National Opposition Union mayor.

* Sandinist Achievements, Power-Sharing Viewed

92CA0017B Managua EL NUEVO DIARIO in Spanish 15 Oct 91 p 4

[Commentary by Adolfo Miranda Saenz]

[Text] One political faction claims that the People's Sandinist Revolution ended with the Front's election defeat, while another holds that the revolution is continuing and that the election defeat is but a phase of it or rather, a consequence of the revolution's own dynamic. Who is right? Is the revolution continuing or not?

Those who say the Sandinist Revolution came to an end claim the government is in the hands of UNO [National Opposition Union] and that that coalition of parties is leading the country down the path of neoliberal capitalism. Moreover, they say the Sandinists have lost power and that Nicaragua is taking an irreversible course in precisely the opposite direction of that taken by the Sandinists.

They also maintain that everything the revolution created will gradually be dismantled and that the government will never again be in the hands of the FSLN [Sandinist National Liberation Front].

Moreover, those who claim the revolution goes on believe that the Nicaraguan Constitution approved by a Sandinist-majority National Assembly and signed by Major Daniel Ortega in a solemn ceremony envisions a political system providing for periodic elections in which one party may lose one day and win the next or vice versa. Consequently, the possibility that the FSLN could win or lose past or future elections under that "Sandinist" constitution was already provided for.

They add that the armed institutions: the Army and the Police, are the fruit of the revolution and a guarantee that the constitutional order which the People's Sandinist Revolution created will be respected.

In addition, they affirm that the FSLN and the people's organizations are so strong, politically speaking, that in order to govern, the government is forced to seek a consensus with them, implying that they have a strong share of power.

For this sector, the Front has truly not lost power but rather, shares it with other factions, especially Violeta Chamorro and Tono Lacayo, but not so much with UNO, making a distinction between UNO and various other groups that sometimes share a fragile unity but that are sometimes highly divided.

Who is right? I think the latter. I think the People's Sandinist Revolution is continuing and I will tell you why.

Just as Tono Lacayo very accurately stated, UNO won the elections but not the war. The situation existing in Nicaragua is not simply the reverse of what one saw on 19 July 1979, as some thought would happen. The

Sandinists are not going into exile, will not have their property seized or be tried, and everything done under the Sandinist Government will not simply be erased. In other words, they will not be stripped of power. On the contrary, the "rules of play" in Nicaragua are "Sandinist rules" contained in the constitution.

However much backing the FSLN may have lost, it continues to be the largest and strongest political party, solid and united despite the secondary normal differences it may exhibit internally.

While the Contras disappeared, broken and in disarray, the Army and Police remain intact as national institutions, but with their roots and inspiration in Sandinism. If we view the Contras and the Sandinists as two military forces pitted against one another in war, in the final analysis, that war was won by the army that remained intact and lost by the one that fell apart.

In terms of the country's economic orientation, the truth is that Daniel's government was taking measures highly similar to those now being taken by the government of Violeta Chamorro, measures some may call "capitalist" or "neoliberal," but which both the Sandinist technocrats before and government technocrats now defend as the sole "painful but necessary" path to restoration of the country's economy.

In these times of perestroika and the abolition of pseudo-Marxist dogma, it is difficult to determine precisely when a measure is taken by virtue of a logic of "neoliberal capitalism" or is based on the principles of a "socialist-oriented mixed economy."

The difference is that Daniel did not get the support of the United States, despite the fact that the Sandinists had their "Sandinistroika" and were seeking a friendly rapprochement with Bush's government. They blocked Daniel, while Violeta and Tono get all the economic backing they need to do what they prevented Daniel from doing!

Nor is that all! Luis Carrion, acting on behalf of the Front, had already been in contact with the exiled capitalists urging them to return and invest within a framework of guarantees and a "mixed economy."

If I am mistaken, then let the technocrats in charge of the economy under the Sandinist Government enlighten me as to whether there was any substantive difference between what—under what may be called the second phase of the Sandinist Government—they did and what the government is now doing. Or let them tell me whether they perhaps had another alternative, a different economic formula.

It is most important not to disregard the fact that government measures depended on national dialogue and that everything was negotiated with the Front and grass-roots organizations, obtaining major concessions not gained by workers in other countries where neoliberal capitalist measures are applied with no social consideration.

The FSLN lost the past elections and might even lose future ones, but the People's Sandinist Revolution continues and will continue.

The Contras do not have power. UNO does not have power. We do not even know what UNO means at this precise time. Violeta Chamorro's government is in essence a government of technocrats without a party. Nor do she and Tono Lacayo belong to any party. Many of their ministers have a revolutionary background, even if the Sandinists do not recognize it due to partisan differences.

The FSLN holds part—a large part—of political power in Nicaragua. In this country, no one can say he controls all power, but the Sandinists hold a very large share of it, enough to hang on to it for a very long time to come and guarantee the continuation of the revolution.

Things turned out well and in the end, what happened was for the best, even for the Front, although this is not what it sought. And it was best for Nicaragua and best for the continued existence and continuity of the People's Sandinist Revolution.

Sandinists Form New Clandestine Group

PA1211011791 Panama City ACAN in Spanish 2213 GMT 8 Nov 91

[Text] Managua, 8 Nov (ACAN-EFE)—On 8 November, a new clandestine organization, formed by former Sandinist fighters and called the "Revolutionary Alliance of Workers and Peasants" (AROC) [Alianza Revolucionaria de Obreros y Campesinos], announced that it will again take up arms "if the armed former contras continue to sow terror throughout the country."

In a communique broadcast by the Sandinist "La Primerisima" radio station, AROC asserts that it will defend the peasants' right to their lives and their property "because they are being persecuted by former contras."

"We are willing to repel the enemy even if this means we have to revolt once again," the AROC communique adds. The organization reports that it is formed by Sandinists who fought against the General Anastacio Somoza regime, which was ousted in 1979.

The organization calls Nicaraguan President Violeta Chamorro to stop "the crime wave being carried out by the 'recontras.'"

The communique indicates that one of AROC's main objectives is to "unite all the clandestine groups that have announced a decision to fight" against the anti-Sandinist former "contras" who have taken up arms.

Approximately, 300 anti-Sandinist "contras" have taken up arms since they were demobilized in April 1990. They

have done so to demand that the government keep its promises to make it easier for them to return to civilian life in Nicaragua.

Several armed Sandinist groups have appeared—most of them formed by former soldiers of the Nicaraguan Armed Forces—since the uprising of these "recontra" bands.

* Commentary Criticizes Conflicts of Interest

92CA0017A Managua BARRICADA in Spanish 15 Oct 91 p 3

[Text] Politicians on the right are blaming one sector of society for accepting a minimal living stipend from the previous government after total dedication to government service for over 10 years of their lives on salaries of less than $200 a month.

Nor do they recognize the fact that, independently of any errors or excesses that may have been committed, most of them gave the best years of their lives to building a society which made it possible to change a model of development that benefited a tiny minority.

However, those now criticizing are confusing the roles which public officials should play in society. For example, it is not ethical for persons occupying public posts to be involved in private banking when it is obvious that they will serve their own personal interests first.

It is alarming to watch as the government imposes a practice incompatible with the most basic rules of ethics, a practice that harks back to the Somoza dictatorship. It was revealed by the creation of a so-called Producers Bank, where five of the nine members of the board of directors are public officials.

The list of partners includes the ministers of Telcor [Nicaraguan Telecommunications and Postal Services] and INAA [Nicaraguan Waterworks and Sewer Systems Institute], the deputy minister of finance, the Nicaraguan ambassador to Costa Rica, and other individuals closely linked with government activities such as Miguel Zavala, from Conazucar [expansion not given], Rafael Martinez, from MAG [Ministry of Agriculture and Livestock], Maria Esperanza Pereira, sister of the minister of finance, Ernesto Balladares, Raul Solorzano, and Maro Hannon, all from Cornap [expansion not given].

Equally serious is the fact that the board of directors also includes three of the persons closest to the minister to the presidency: Julio Cardenas Robleto, the president's personal adviser; Pablo Vigil, from Telcor; Ricardo Barrios Velasquez, principal adviser on matters relating to production; partner Alfredo Marin; and Pablo Ayon Garcia, an official with FISE [Emergency Social Investment Fund].

Let us say it once loud and clear: It is absolutely incompatible that persons serving as the representatives of a government elected by the people should occupy positions in private business. If they wish to handle their private affairs, they should resign from public office.

In BARRICADA, we have maintained a balanced policy on the search for stability, but we are not willing—for it would not be honest—to remain silent in the face of such unusual conflicts between private interests and the interests of all Nicaraguans.

We demand that the government clarify this matter, for it is immoral for such a thing to occur when over 30 percent of the people feel their way is blocked, that there is no work, when professional and technical personnel are barred from employment in the government due to their connection with the previous administration, and when persons recently arriving from Miami are given preference.

Today we are only speaking of banking, but we could also bring up countless private deals involving such officials as Alfredo Cesar, president of the National Assembly, Mayor Aleman's personal dealings, officials of the MCT [expansion not given], Inmine [Nicaraguan Institute of Mines], and Enabas [National Enterprise for Staple Foods], and finally, many prominent UNO [National Opposition Union] officials who, by virtue of their influence in government, create and take advantage of the confusion between what is theirs and what belongs to others.

The old saying that "no man can serve two masters" is more valid than ever at a time when the people are asked to make sacrifices in order to bear unemployment and poverty-level wages. None of this helps build the foundations of trust and reconciliation that any social and political process should have under the present circumstances.

* Editorial Urges End to Cesar, Lacayo Split

92CA0017C Managua LA PRENSA in Spanish 19 Sep 91 p 4

[Commentary by Jose Joaquin Quadra S.]

[Text] The alienation between the minister of the Presidency and the president of the Assembly is obvious and everyone is commenting on it. It is as public as it is ridiculous and I therefore think the time has come to comment on it in like manner, i.e., publicly.

It is unbelievable that at a time when all Nicaraguan democrats should be totally united in order to defend and consolidate the democratic process, we are, however surprising it may be, taking sides and smuggly ingratiating ourselves on either Cesar's or Lacayo's side.

The experience of the divisiveness that occurred, continues, and has done so much harm in the case of Vice President Godoy seems not to be enough. Nor does it suffice to see Nicaraguan history, eternally divided by political or selfish interests over who gives the most—or the least—orders.

I truly do not believe this substantial difference between Lacayo and Cesar is beneficial in any way because it puts to the test the long-sought independence of powers—to excuse it we say "disagreement"—in which the truth is to be found. Under normal conditions, the foregoing would have been absolutely correct, but at a time when Nicaragua needs the unity of all Nicaraguans in order to emerge from the disaster and plunder to which it was subjected during the final years of the Sandinist dictatorship, such division is impardonable.

The fact is that Cesar and Lacayo are both democrats and capable. These factors, along with many others, were vital in the victory over Sandinism in the last elections. They worked together during the campaign. When no one would pay any attention to them, they could still be found with two megaphones and a few broken-down old cars, lacking resources but united, sufficiently united to beat the dictatorship. They formed and organized the government, perhaps not in the way we would all have wanted, but with a view to achieving peace, democratization, and development.

Cesar's people, whom we all know, occupied major Cabinet posts and began to work with the unity that was so basic to the campaign. We all thought their ideological similarities and family ties would make Cesar and Lacayo enough of a "one-two punch" to make it worthwhile.

Today, 16 months later, the "one-two" seems to be collapsing in the face of a fundamental problem, a cornerstone of the construction of the new society: private property, the forgotten promise of the campaign, an indispensable definition for rectifying injustices and achieving the development of Nicaragua.

The fact is that Cesar and Lacayo must have agreed on this important issue before the elections in order to achieve the objectives proposed and share the makeup of the Cabinet. What could have happened over those months? What commitments can they have made that are able to break the strong ideological and family ties between the two leaders? What will happen to ministers and officials loyal to Cesar?

I do not know what will happen. What I can say is that divisionism has been an ill-fated but constant element throughout the great causes of Nicaragua. This "split" between Cesar and Lacayo, inserted into the illogical world of the logical, darkens the Nicaraguan sky we all want and allows extremist positions already seeking their own interests to be strengthened. Meanwhile, Nicaragua waits, wracked by poverty, hunger, anger, and perhaps even rage, for the long-promised justice to come and divisionism to end, for Nicaragua to come first.

Panama

Endara: Relations With U.S. Remain 'Friendly'

PA1111235491 Paris AFP in Spanish 2015 GMT 11 Nov 91

[Text] Panama City, 11 Nov (AFP)—Relations between Panama and the United States continue to be friendly despite an incident on 7 November caused by "some crazy U.S. citizens," President Guillermo Endara said today.

Endara made these statements just four days after several U.S. citizens, presumably Southern Command soldiers, intimidated some policemen in Panama City.

This incident took place after a U.S. soldier, Hailemikael Childs, was shot dead on 5 November by Panamanian Corporal Juan Arauz.

According to the Panamanian authorities, Childs and three other soldiers were riding in a vehicle with the lights off, going the wrong way down a one-way street through an area where drug trafficking has been a frequent occurrence. When ordered to halt, they did not, therefore Corp. Arauz opened fire.

Endara, who rose to the Presidency after the U.S. invasion of 20 December 1989, told the press today that Panama's relations with the United States continue to be normal, because there are "crazy people on both sides."

Editorial Advises Caution on U.S. Ties

PA1011183691 Panama City CRITICA LIBRE in Spanish 9 Nov 91 p4

[Editorial: "Panama-U.S. Tensions"]

[Text] The shooting death of a U.S. soldier at the hands of a Panamanian policeman has raised the level of tension between Panama and the United States to such as point that Mayor Dario Arrue, deputy director of the National Police, has charged that groups of alleged U.S. citizens were provoking Panamanian policemen.

Early on the morning of 8 November, some incidents took place that included deliberate traffic violations, threats with the use of weapons against local policemen, and an unusual deployment of U.S. soldiers in tanks and combat gear. That situation can slip out of the control of the national government if it does not act with caution. This is not the time to make careless and unfortunate remarks, like those made by Government and Justice Minister Juan Chevalier who referring to the statement by U.S. Ambassador Deane Hinton, snapped: "I am not interested in what Ambassador Hinton said, since I am the government minister, not the foreign minister."

The situation we are experiencing is similar to the one that existed in the last days of the Noriega dictatorship. We must not forget that a U.S. soldier was shot to death in December 1989, prompting an irate response from

Washington, and shortly afterward came the U.S. invasion with the results known to us all.

We want to reiterate that this is not the time to be making rash statements, and that all of us regret that a life was lost in this incident. In the end, the court of justice will be in charge of ruling on what happened, giving implicated Corporal Juan Arauz fair treatment.

What the authorities ought to do is control their emotions and weigh their remarks to the news media, since a poorly worded or misinterpreted statement may fan the fire. Panama must direct its steps, without the detriment of its dignity and sovereignty, toward peace and progress, something to which it is entitled.

A large part of the blame over what happened stems from the actions of those who prompted the people to lose respect for the Public Force, since they brought on the humiliation of a large number of policemen. For that reason, anyone carrying a weapon feels emboldened to defy the authority of the police. We must also note that the failure to conduct a true purge among the former agents of the Panama Defense Forces [FDP] means that a militaristic influence still exists in that institution, which is not lacking in agents who boast of their haughtiness and arrogance since the laws of the narco-dictatorship are still in force.

Ambassador Hinton maintains that excessive force was used in the death of U.S. soldier Hailemikael Childs [name as published]. Government and Justice Minister Chevalier refutes that statement. President Guillermo Endara states that he defends the Panamanian policeman. Mayor Arrue denounces provocations by alleged U.S. servicemen. Since the economy of our nation depends on the United States, and since the wounds of the armed intervention are still open, the question is: Where are we going? Noriega dragged down the Dignity Battalions, the Committees for the Defense of the Fatherland and Dignity, and the FPD in his adventure. No one defended the military regime because the majority of the people hated the tyrant. Now, Endara, who has a low approval rating and a frustrated people, seems to have found a similar situation. Where does he want to take us?

Editorial Views Reaction to Death of Soldier

PA1011163591 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Nov 91 p A4

[Editorial: "A Regrettable Accident and the Government's Surprising Zeal"]

[Text] The natural or tragic death of any human being is indeed unfortunate. There are times when some deaths are more painful than others. This is especially true when the person who dies is in the prime of his youth. For this reason, all Panamanians have regretted the incident a few days ago in which a humble, 21-year-old Public Force member of irreproachable conduct, killed a young U.S. Army soldier stationed in the Panama Canal Zone [as published]. As Christians, we also share the pain of the dead soldier's relatives, companions, and friends and join them in their sorrow. However, this regrettable accident has brought about several incidents that, in a way, hurt our sovereignty and demonstrate the submissive spirit of the Panamanian leaders. All incidents of this nature require that an exhaustive and opportune investigation be carried out to determine how the events developed and to assign responsibility. In this respect, our laws do not make any distinction or allow privilege. Justice is blind to color, nationality, or special conditions.

For this reason, we were surprised when we saw the unusual and diligent manner in which our authorities—from both the executive branch and at the Attorney General's Office—have started to investigate the events surrounding the case. We were also astounded with the way U.S. authorities have tried to hinder our judicial independence by pointing out that there was excessive use of force in this case. The regrettable particulars of this case must be investigated in an impartial manner by competent authorities and without foreign intervention. Likewise, people have not appreciated that an accident of this nature was raised to the highest diplomatic level when such incidents have occurred on both sides many times in the past and will continue to occur in the future. Regarding this case, it would be interesting to ask: What would have happened if the Panamanian policeman had not taken any type of action when he saw a car, the headlights of which were turned off, coming [the wrong way] up a one-way street, and its driver did not obey the order to halt? What would be said today, if instead of U.S. soldiers they had been bank assailants or other criminals? Would there have been the same reaction if, under the same circumstances, a member of our Public Force had been killed? Justice must be equal for all and the pain caused by a death does not make any distinction between black and white or between rich and poor.

It is to be expected that Panama's courts will act objectively and clearly toward the accused person. Any a priori judgment intended to earn U.S. Government acceptance would have terrible consequences on the nation's public security. We would have National Police units that would not dare face the danger that the growing crime rate implies to avoid involvement in an incident like the one at issue. The case must be tried calmly and without prejudice. The Panamanian people must remain alert. The fate of this Public Force employee must have all the attention of all the citizens. Any effort to turn him into a scapegoat would have negative effects on the nation's dignity, as well as on the police as an institution. If the accused person wrongfully used his weapon, then let him be punished according to our laws, but if it is found that he was in danger and it is determined that the soldier who died disobeyed police orders, then it is necessary to objectively and impartially apply the law.

We regret the death of the young U.S. soldier. The death of the hundreds of Panamanians who died on 20

December 1989 and who were buried in common graves without any kind of identification is also a source of deep pain. The fate of the young soldiers who were sent to Panama for the invasion, who died in our territory, and who later were buried with honor in the United States is also a source of pain. We grieve over those who died in the January 1964 events. The blood spilled in wars throughout the world is a source of grief. We cannot continue the practice of awarding Christian stature only to certain citizens and of forgetting and loathing others. The death of people brings sadness and pain, regardless of their nationality, color, race, or social status.

Hinton's Request for Investigation Assessed

PA0811194091 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Nov 91 p B36

[From "The Gripper" column]

[Text] A U.S. soldier died on 5 November after he was shot by police officer Juan Arauz. We agree with Ambassador Hinton's request for an investigation of the circumstances that led to the U.S. citizen's death, however, he should not determine if there was excessive use of force.

Given intelligence reports on subversive actions, anyone could be killed if, while driving the wrong way on a one-way street with no lights in a neighborhood plagued with drugs, prostitutes, and homosexuals, refuses to obey a police officer's order to stop. The United States should give explanations regarding the Panamanians who were killed using excessive force at the check points after 20 December 1989. They should also investigate what their soldiers were doing in a high crime area.

Endara Denies Charges of Authoritarianism

PA1111165891 Panama City LA PRENSA in Spanish 10 Nov 91 p 1a

[Report by Zoila Rodriguez Jovane]

[Text] President Guillermo Endara has complained about criticism he has received for being what he describes as flexible, as well as for decisions he has made as president of the Republic. He was referring to his recent presidential decree "ordering public officials to comply with" the program for economic development and modernization. Endara ordered all ministers and state agency managers to follow to the letter the economic plan approved in May or face punishment.

The president smiled broadly and said: "It is funny how sometimes I am accused of showing a lack of leadership, but when I act, I am accused of being a dictator."

Endara denied that his ruling, which was supported by Comptroller General Ruben Dario Carles, could be compared to the war decrees approved by the military regime after a foiled coup attempt against General Manuel Antonio Noriega.

Endara explained that his ruling was not authoritarian, because one of the presidential duties outlined in the Constitution is the coordination of actions among various government offices.

During his recent meeting with journalists, Endara said that another "strong diplomatic" decision he felt compelled to make was the withdrawal of the ambassador to Peru. The president said this action was intended to force President Alberto Fujimori's government to keep its promise to locate the two former military officers seeking asylum in that country.

Former Majors Heraclides Sucre and Gonzalo Gonzalez, who were granted asylum in Peru in May, left that country despite two extradition requests made by Panamanian authorities. Sucre and Gonzalez must answer to Panamanian justice for killing several comrades who participated in the foiled 3 October 1989 coup attempt.

Endara said that he "does not believe" that the fugitives are being protected by Peruvian military officers. He expects relations between the two countries to improve, despite his drastic measure.

Article Reports Anti-Endara Newspaper Campaigns

PA1011215091 Panama City EL PERIODICO in Spanish 6-12 Nov 91 p 16

[Text] The campaign that certain government sectors have mounted against President Guillermo Endara has intensified in recent days. EL PERIODICO consulted an expert, who reported that Endara is currently facing groups that are against him. To begin with, he has to withstand the criticism of the Arias family's journalistic empire, as well as attacks from the daily LA PRENSA and its star columnist Guillermo Sanchez Borbon, who is also a poet.

The expert indicated that this is the reason why Miguel Batista, deputy minister of the Presidency insists that Endara defend himself. The ever present Arnulfista Syndrome that there are always plans to overthrow the government has led Endara to install imperial guards in the Presidential Palace, composed mostly of well-known former paramilitary elements. Concern has increased because of the force used on 4 November against four National Institute students. Neither the Nationalist Liberal Republican Movement, nor the Christian Democratic Party [PDC] like this because they imagine the possibility of that force being used against them in the future. Observers believe that considering the lack of popular support, Endara may grow desperate and use his paramilitary elements. The PDC has begun mobilizing its paramilitary cadres to face any eventuality.

Argentina

Menem Departs for U.S. Amid 'All-Time High'

PY1311024891 Buenos Aires TELAM in Spanish 0211 GMT 13 Nov 91

[Text] Buenos Aires, 12 Nov (TELAM)—The presidential plane taking President Carlos Menem to the United States took off from Ezeiza International Airport at exactly midnight tonight. During this visit, Menem will have a busy agenda that includes meetings with President George Bush, other senior U.S. officials, and international bankers.

Shortly before his departure, Menem stated that he is making this visit at a time when relations between Argentina and the United States are "at an all-time high." He also voiced his optimism about the future development of the Argentine economy.

Cavallo Calls for Closure of Unprofitable Banks

PY1311003091 Buenos Aires BUENOS AIRES HERALD in English 12 Nov 91 p 3

[Text] (DYN-NA)—"Unprofitable provincial banks will have to be liquidated," Economy Minister Domingo Cavallo said at the fifth annual convention of the Provincial Banks Association (ABAPRA) held yesterday. Banks should reduce financial costs and thereby reduce credit costs by laying off surplus personnel, the economy minister said.

"If you have to close down a bank because it's unprofitable, you have to close it down, period," he said. Stable growth carries implicit with it the elimination of unproductive overcosts, Cavallo pointed out. Provincial administrations should ensure that suppliers' and contractors' costs are reduced to a minimum, Cavallo said.

The economy minister pointed out that "fiscal deficits, emission by the Central Bank and the financing of provinces through provincial banks is unacceptable." Cavallo said that the restructuring of the banking sector will boost deposits.

The Central Bank will gradually reduce bank reserve requirements to increase availability of capital loans, Cavallo said. Private banks will have to bear on their shoulders the risk of lending to the private sector, the economy minister told the audience.

A new Central Bank statutes book will not permit rediscounting or lending to the private sector by Central Bank authorities, Cavallo said. He reiterated that IMF fiscal objectives were being met and that Argentina would determine the appropriate moment for entering the Brady foreign debt reduction plan.

Cavallo ruled out "spectacular announcements," on the debt issue during President Carlos Menem's visit to the U.S., which starts today.

At the same ABAPRA conference, National Securities Commission President Martin Redrado said that the state-owned electric power and gas utilities will be the first to be privatized on the capital markets. The Segba [Greater Buenos Aires Electrical Services] thermal plants of Puerto Nuevo, Nuevo Puerto and Costanera will initiate this process, Redrado pointed out.

A minority stake in these firms will be put up for sale.

Redrado stressed the importance of privatizing effectively. "If we fail to privatize with tariffs at international levels, we will not only kill the convertibility plan but also the possibility of competing in the world," he said.

He added that important progress has been made in the drawing-up of pension fund reforms. Under the proposed reformed scheme, privatized pension funds will co-exist alongside a minimum guaranteed state pension.

Before the end of the year, over 150 million dollars worth of shares and 500 million of negotiable bonds will be floated on the Stock Exchange, making up "an extremely rich calendar" for investments, Redrado said. YPF [Government Oil Deposits] shares will be issued on international markets in 1993, he added.

Air Force Announces New Senior Assignments

PY0911150891 Buenos Aires TELAM in Spanish 2042 GMT 8 Nov 91

[Text] Buenos Aires, 8 Nov (TELAM)—This afternoon the Air Force released a communique with new assignments. The communique is signed by Brigadier General Jose Antonio Julia, chief of the Air Force General Staff.

The communique released to the press by the Defense Ministry states that Brigadier Alberto Alegria was designated commander of air operations, while Colonel Artuto Pereyra was designated chief of staff of air operations.

Brigadier Henry Ronal Graton was designated general staff coordinator and Brigadier Jorge Hernan Gimenez was designated commander of the air regions. Colonel Saul Costa will be chief of the air regions staff.

Brigadier Juan Daniel Paulik will be secretary general of the Air Force General Staff; Brigadier Eduardo Martinez will be materiel commander; Brigadier Mario Laporta will be personnel commander; and Brigadier Otto Ritondale will be the Air Force director general.

Colonel Horacio Ernesto Genolet will be Second Department - Intelligence chief; Colonel Hector Cid will be Third Department - Planning chief, while Colonel Toto German Oviedo will be Fourth Department - Logistics chief.

The new chain of command includes the following promotions: Brigadier Alberto Alegria to Brigadier Major and Colonels Alberto Viana, Hector Cid, Horacio

Ernesto Genolet, Oscar Hector Benza, Tito German Oviedo, and Jorge Trama to Brigadiers.

Brigade commands were established as follows: 1st Brigade, El Palomar: Colonel Ruben Mario Mentenegro; 2d Brigade, Parana: Colonel Ramon Pastor Vivas; 3d Brigade, Reconquista: Colonel Raul Quiroga; 4th Brigade, Mendoza: Colonel Eduardo Costa; and 5th Brigade, Villa Reynolds: Colonel Ruben Gustavo Zini.

The 6th Brigade, headquartered in Tandil, will be commanded by Colonel Manuel Augusto Mariel; the 7th, of Jose C. Paz, by Colonel Pascual Angel Soler; the 9th, of Comodoro Rivadavia, by Colonel Ricardo Luis Guillet; and the 10th, of Rio Gallegos, by Colonel Jose Leandro Cambiasso.

These assignments were released in a radiogram issued by Air Force Chief Brigadier General Julia.

The official communique states that these assignments "were submitted to Defense Minister Antonio Erman Gonzalez this week and the president of the nation was also informed immediately."

Democratic Union Elects New Party President

PY1011221691 Buenos Aires BUENOS AIRES HERALD in English 10 Nov 91 p 1

[Text] (DYN-NA)—A plenary meeting of the Central Democratic Union (UCeDe) elected former Buenos Aires governor during the military regime Jorge Aguado as party president yesterday, knocking Deputy Federico Clerici out of office by a 69-36 vote.

"I'm committed to defending the independence and identity of this party," Aguado said, adding "All our personal goals must now be placed at the service of the overall objectives of the UCeDe."

Just before the voting, UceDe founder Alvaro Alsogaray confirmed his decision to retire from active party participation and dedicate himself to becoming the party's Lower House bloc leader.

"I always worked for the party," Clerici said after the vote, underscoring that now is the time "to construct a party that is strong, independent and does not kowtow to the government."

* Editorial Criticizes Lower Tariffs

92SM0058A Buenos Aires CLARIN in Spanish 13 Oct 91 p 14

[Text] The tariff reductions combined with the pegging of the exchange rate at a historically low level, a level still heading downward, are promoting an influx of imports which are starting to displace domestic production.

One of the most controversial steps was the tariff reduction on capital goods imports from 22 percent to 11 and 0 percent.

Industry representatives have said that tariff cuts on capital goods which are not manufactured in Argentina and cannot readily be produced locally may stimulate local business activity. But the resolution we are discussing presents two major problems: it sets low or no tariffs for goods that are manufactured in Argentina; secondly, it establishes a zero tariff for a general category which includes goods not listed in the tariff nomenclature. Industrialists fear that goods which should be included in other categories and for which tariffs should be paid will improperly get included in this list.

This shortcoming stems from the fact that the tariff nomenclature has not been revised for many years, so it has not kept up to date with technical innovations in new products and new features of traditional products.

When the tariff resolution was announced, CADIE [Argentine Electronic Industries Board] stated that the ministry of the economy's resolution will seriously harm the manufacture of electronic telecommunications products like transceivers, medium-wave radio communications systems, rural telephone equipment, and other items.

ADIMRA [Association of Metallurgic Industrialists of the Argentine Republic] has begun to receive complaints from its member groups about the damage this resolution will cause, and the Association of Machine-Tool Manufacturers stated that many machine-tools like digitally-controlled milling machines, grinders and rectifiers, and others that are usually manufactured in Argentina will now be imported at zero tariffs, and that many importers benefit from the denomination of their principal item for classification in that category. The Chamber of Manufacturers of Industrial Machines and Equipment has submitted a memorandum to the Ministry of Economy, estimating that the gap between the 22 percent tariff and the zero tariff will lead to the adulteration of classifications so that lower tariffs can be paid, and that many manufacturers of capital goods for industrial use will be forced to become importers in order to survive.

Finally, the Argentine Industrial Union informed the Ministry of Economy of its surprise about the method used in the tariff reduction, as the talks the government had promised sectors affected by economic liberalization steps were disregarded. It warned that the sectors affected by the zero tariff set for the import of certain capital goods have been stripped of any protection. This creates uncertainty in the Argentine industrial sector and expands the current imbalance with Brazil, whose capital goods industry has higher tariff protections.

In essence, removing protection from the capital goods industry may hurt one of the economy's most critical areas, one with the greatest capacity for creating new technology and employing skilled labor.

The weakening of capital goods production also calls into question the character of the economic liberalization the administration is promoting. Economic liberalization involves an increase in imports and exports, and it may be beneficial if imports of goods not produced and which can not readily be produced in Argentina increase, along with increased exports of more complex goods. The production of such products has a great impact on the domestic market, and their sales abroad are more profitable than sales of primary products.

The stripping of tariff protections from industry, combined with the exchange disadvantage, promotes Argentina's specialization in less complex sectors, with high-tech goods being imported and primary products being exported. This reproduces the undercapitalization system which is the source of our poverty, the permanent economic crisis, and the instability from which our country has long suffered.

* Specialists Criticize Gas Privatization Plan

92SM0058B Buenos Aires CLARIN in Spanish 14 Oct 91 p 20

[Text] In a forum with a radical political orientation, the Ministry of Economy's regulatory legislation and the bidding for State Gas were harshly criticized. The administration was attacked for trying to break up the state enterprise and abandoning energy planning.

The shortage of hydrocarbon reserves, the abandoning of energy planning and the unknowns about future tariffs were criticized during the forum which specialists from the General Mosconi Energy Institute conducted on the regulatory legislation and the government's proposal to privatize the gas service.

Angel Bottarini, former vice president of State Gas; Juan Bonvin from the Federation of Electrical and Other Public Utility Cooperatives; and Hector Cardenas from the Argentine Federation of State Gas Employees, criticized the government's intention of reorganizing the gas industry.

Speaking on behalf of the Institute—which has a radical political orientation—Bottarini explained that deregulation is being confused with privatization. Deregulation can be summarized as the alignment of domestic prices with international prices and the move from a closed to an open economy. Privatization, though, is a "tool which cannot be allowed to be used for ideological purposes." Among the objectives officially sought through privatization, Bottarini mentioned: a.Reducing the treasury deficit and generating a surplus; b.Paying the foreign debt through the redemption of securities.

"Abandoning energy planning and energy self-sufficiency as a permanent goal is disturbing," he said. "Importing petroleum would be detrimental." He recommended using our most abundant energy resource—gas—and continuously monitoring the status of petroleum reserves. Nothing is said in the regulatory legislation "about eliminating gas venting, which generates losses of $500,000 a day, or about meeting future demand." Against those priorities, the administration advocates "free gas exports."

Supply

One of the most criticized features of the government policy is "the dismembering and disintegration" of State Gas. The gas pipeline system is an integrated system and "privatizing it, copying foreign experiments, would impair petroleum operations and supplies in some areas."

The new tariff system also drew criticism. The regulatory legislation sent to Congress states that tariffs should reflect costs plus a reasonable profit. "What is a reasonable rate of profit? 20 percent, 40 percent?" asked Bottarini. "In some regions, especially Patagonia, applying the profit criterion would mean a ten-fold increase in bills," he added.

The representative of the cooperatives said that the regulatory legislation does not encourage pooling consumption, nor does it promote comparative advantages in supplies, and it eliminates his category of public utilities. He called for recognizing the cooperatives as gas producers, distributors, and transporters, and the participation of users in management control.

According to Cardenas from the Union Federation, "the breakup of State Gas" can be avoided if in this reorganization the distribution and operation of the gas pipelines are integrally awarded to temporary business units.

Correction to 'Text' of Deregulation Decree

PY0711195891

The following correction pertains to the item published under the headline "Text of Menem's Deregulation Decree Published," in the 7 November Latin America DAILY REPORT pages 19-27:

Page 24, column 1, paragraph 6, second sentence make read... The SUSS will be in charge of CUSS control and collection. [new graf]

Regulations for control... (rewording).

Same page, same column, paragraph 9, only sentence make read... Article 87. The CUSS comprises the following contributions:... (rewording).

Same page, second column, paragraph 3, only sentence, make read... Article 88. The CUSS contribution will be equivalent to the addition of the contributions that each employer should pay—by virtue of pertinent regulations—as described in Paragraphs A to F of the previous article. [new graf]

Article 89. The amounts paid... (rewording)

Bolivia

Government Supports Antichemical Weapons Accord

PY1311012291 Madrid EFE in Spanish 1456 GMT 12 Nov 91

[Text] La Paz, 12 Nov (EFE)—Bolivia announced today its decision to support the agreement signed by Argentina, Brazil, and Chile rejecting the production, purchase, and use of chemical weapons. The commitment, which was signed in the Argentine township of Mendoza on 5 September 1991, states that the three countries "will not develop, purchase, store, directly or indirectly transfer, or use chemical or biological weapons."

The agreement, which is now supported by Bolivia, seeks "to strengthen an atmosphere of peace and lowered tension" in the Southern Cone. It can be expanded with the further implementation of a treaty on zones free of chemical and biological weapons.

A Foreign Ministry communique published today in the local press reads: "Bolivia reasserts its support for the agreement by stating that the Mendoza commitment is compatible with the main objectives of its international policy."

The communique reads that Bolivia "reiterates its will to decisively support the implementation of policies and initiatives on disarmament and arms control in our hemisphere and, especially, in South America that can create conditions for harmonic and peaceful coexistence among nations."

Joint Bolivian-Soviet Farming Company Planned

PY1211154891 La Paz Television Boliviana Network in Spanish 0200 GMT 12 Nov 91

[Text] The public relations office of the Defense Ministry reported that the corporation promoting the project in Abapo and Sosoc signed a protocol of intent with experts from a Soviet mission. The objective is to create a joint Bolivian-Soviet agricultural company that will produce several crops for internal consumption and exportation in Abapo and Sosoc, Santa Cruz Department.

YPFB Deposits $179 Million in Treasury

PY1211153891 La Paz PRESENCIA in Spanish 3 Nov 91 p 4

[Summary] Bolivian Government Oil Deposits, YPFB, deposited 628,204,965 million bolivianos ($179.026 million) in the National Treasury during the first half of 1991.

Brazil

Foreign Minister Rezek Assesses Visit to Tehran

PY1311021291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 12 Nov 91

[Text] As a result of Foreign Minister Francisco Rezek's recent visit to Iran, Brazil will expand its commercial ties with Iran. In an assessment of his visit to Iran, Rezek said today that 58 businessmen were part of his entourage and they signed economic agreements with the Iranian Government.

[Begin Rezek recording] Several of them have already established businesses in Iran, such as importing Brazilian goods and services. This encompasses all areas, including the production of cars, trucks, and buses. Most important of all, it also includes the sale of important services such as construction of hydroelectric plants; the metro in Tehran; and large housing programs. [end recording]

Oil, Housing Accord Reached

PY1311022891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 12 Nov 91

[Report by Cristiane Ribeiro]

[Text] A Brazilian-Iranian commercial cooperation agreement provides for the construction of 100,000 houses in Iran. In return, Iran will supply Brazil with $1.5 billion in oil per year.

The Iranian-Brazilian technical and commercial cooperation agreement was signed last week during the visits of Foreign Minister Francisco Rezek and Infrastructure Minister Joao Santana to Iran. In return, Iran will supply Brazil with $1.5 billion in oil per year. This is equivalent to about 200,000 barrels of oil.

Ramon Arnus Filho, the Social Welfare Ministry's national housing secretary, said today in Rio de Janeiro that the Social Welfare Ministry is already studying the construction of 10,000 [as heard] housing units in Iran and everything should be ready within the next four months.

[Begin Filho recording] The Iranian Government already gave its support by endorsing the obtaining of resources on the international market. Moreover, it has already agreed to study a possible reduction and elimination of import tariffs for Brazilian products in Iran.

The Brazilian Government plans to develop, along with the UN Development Program, a project to implement a new mechanism that was created to facilitate obtaining resources on the international market. Actions are being carried out at the government level to promote this kind of work. [end recording]

Filho added that the technical and commercial cooperation agreement that was signed with the Iranian Government provides for the construction of 100,000 low-income housing units in Iran.

Filho was in Rio de Janeiro today attending a seminar on financing housing in Latin America, which opened yesterday at Ceasar's Park Hotel in Ipanema and ends on 14 November.

Foreign Minister To Seek Stronger Soviet Ties

PY1311005891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 12 Nov 91

[Report by Arminda Carvalho]

[Text] President Fernando Collor will visit three countries in December: Uruguay, Chile, and Italy. This was announced by Foreign Minister Francisco Rezek.

Foreign Minister Rezek will visit Moscow in December. The objective of this trip is to strengthen Soviet-Brazilian political ties. Speaking during the "National Review" program carried by the RADIOBRAS network, Rezek discussed the political and economic importance of strengthening Soviet-Brazilian ties.

[Begin recording] This is a highly important political and economic matter. As of next year, the USSR will play a dominant role in its capacity as a commercial partner of Brazil in that region of the world. In addition to being a country that has implemented democracy in a grand style, the USSR is an exceptional political partner. [end recording]

Foreign Minister Rezek stated that the political changes in the USSR resulted in economic advantages for this country. He believes the USSR will be able to overcome its current problems.

Party Pledges To Vote on Amendment Proposals

PY1311010891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 12 Nov 91

[Text] The PMDB [Brazilian Democratic Movement Party] assured that this year it will vote on two proposals included in the Big Amendment Project [Emendao]: the proposals on fiscal readjustment and modernization of the economy.

Justice Minister Jarbas Passarinho reported that Congress President Mauro Benavides assured him of this. Passarinho expressed surprise over what Deputy Ibsen Pinheiro, Chamber of Deputies president, said about current difficulties in approving the proposals included in the government's Big Amendment Project.

[Begin Passarinho recording] Congress President Mauro Benavides assured me yesterday that during a meeting attended by himself, Pinheiro, and, I believe, the PMDB president, the PMDB committed itself to vote on the proposals on fiscal readjustment and modernization of the economy, which are included in the Big Amendment Project, Emendao. But he said they will not vote on the other proposals included in the Emendao. [end recording]

If the Big Amendment Project is not voted on by 15 December, President Fernando Collor may summon Congress during the summer recess.

Four Proposals Approved at Interpol Meeting

PY0911002891 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 8 Nov 91

[Speakers identified by screen captions]

[Text] Brazil obtained international assistance for its struggle against the trafficking of babies and arms. This assistance was agreed upon at the Interpol [International Criminal Police Organization] meeting in Punta del Este, Uruguay.

[Begin recording] [Reporter Caco Barcelos] Colombia was the bearer of the best piece of news at the Interpol meeting in Uruguay that closed today: The arrests of drug traffickers like Pablo Escobar in June this year have had a positive effect in the country as far as violence goes—death squad murders declined by 90 percent.

Four of Brazil's proposals were approved at the Punta del Este meeting. Brazil was promised international assistance for its struggle against the trafficking of babies and arms. Its proposal to exchange information to prevent actions by radical groups during the UN environmental conference in Rio de Janeiro next year was accepted. From now on Interpol will consider the smuggling of precious stones and minerals like gold out of Brazil a financial crime. At the end of the meeting, the representatives of 100 countries voted for a Latin American candidate for Interpol vice president. They chose Brazil's candidate, Federal Police Director General Romeu Tuma, who will hold the post for three years.

After his election Tuma said that his top priority will be to organize a special police force for Mercosur [Common Market of the South] member countries. This police force will be called Mercopol.

[Unidentified reporter] This force will conduct police operations in the four member countries?

[Tuma] It will conduct police operations in these four countries, especially along the borders, and will have an information center to surveil criminals who will have a greater freedom to move from country to country.[end recording]

Wage Rates Drop; Employment Rate Increases

PY1211152891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Nov 91 Economic Section p 4

[Summary] The national payroll dropped by 9.7 percent during the period January to August 1991 compared to

the same period in 1990. This calculation was made by economist Magdalena Grovemberger Goes of the Industrial Economy Institute of the Federal University of Rio de Janeiro (UFRJ), based on the IBGE [Brazilian Institute of Geography and Statistics] monthly employment survey. During the surveyed period, real average wages dropped by 12.44 percent and the employment rate rose 3.1 percent. This data was collected in six metropolitan regions: Rio de Janeiro; Sao Paulo; Belo Horizonte; Porto Alegre; Salvador; and Recife.

* Plan K for Economic Recovery Discussed

92SM0069A Sao Paulo VEJA in Portuguese
23 Oct 91 pp 90, 91

[Text] A plan has been submitted to Collor that proposes a reversal of direction in the economy but does not involve confiscations or freezes.

President Fernando Collor de Mello read with interest a bundle of 74 pages—dubbed "Plan K"—that contains an extremely comprehensive prescription for the economy and last week was circulated in the form of Xeroxed copies as clandestinely as a pornographic magazine. The study in question—composed by an economist who is not on any of the federal government's teams—is a very original piece that proposes a complete reversal in the management of the Brazilian economy. Plan K has to be taken seriously: Secretary for Economic Policy Roberto Macedo is studying the plan, and there is a distinct possibility that the government will be delighted with it. The plan was drafted by the Rio de Janeiro economist Professor Paulo Rabello de Castro, editor of the magazine CONJUNTURA, published by the Getulio Vargas Foundation. The most interesting thing about the plan is the fact that it has the potential of pleasing everyone.

The two most original points in the proposed reform are, first, the government would present itself to the public as a repentant debtor owing an enormous social debt estimated at approximately $300 billion, representing the money that the citizenry did not receive during the 1980's as a result of the recessions, the national debt, and inflation. Then, to pay this debt, "social funds" would be established using the money in the FGTS [Unemployment Compensation Fund], Finsocial [Social Investment Fund], and PIS-PASEP [Social Integration Program-Government Employees Welfare Fund]. Destined to provide benefits such as unemployment insurance, financing for home ownership, and increased benefits for pensioners, these funds would be administered by labor unions and private enterprise. The most interesting feature is the provision whereby the government will augment these funds by turning the revenues from the state enterprises over to them, after it has discharged the debts of the enterprises.

Plan K has the astounding capability of not boring anyone. It has something for the business community and for taxpayers in general, offers something to the workers as well, provides regionalism with some possibilities, and promises to satisfy the politicians. Tax rates would be reduced, and some taxes—such as the IPI [Tax on Manufactured Products]—would be eliminated. By way of compensation, with taxes much lower it would not be worth the trouble to evade them. There would be "benign privatization" in the areas of education and health: instead of administering schools and hospitals, the government would create an "education wage" and a "health-care check." The Social Welfare program would also be managed by representatives of labor unions and the business community. The debt of the states and municipalities would be renegotiated, on the basis of the future renunciation—by the governors and mayors—of a portion of the tax revenue that the Union owes them.

A Raging Bull

In short, the proposal does not confiscate cruzeiros, does not freeze prices, does not recommend paying the foreign debt with the blood of Brazilians, privatizes public enterprises without handing them over to foreign capital, creates financially strong funds to aid the workers, and strokes the business community with gentler taxes. For a government that became embroiled in difficult political negotiations in behalf of its plans and was unable to carry out a single economic reform without a hassle, implementing a reform such as this would be a "piece of cake." Last week, however, Planalto Palace denied it had seen hide nor hair of Rabello's plan. Rabello himself said he had never authored any such proposal.

When any economic plan is being prepared or studied, it is standard practice to keep it secret. Last week Rabello himself, in an article published by FOLHA DE SAO PAULO, set forth ideas so similar to those presented in Plan K that if it is not his plan he must possess an impressive telepathic affinity with the author. "In order to be successful a new plan should focus on the working population, who should be at the center of their attention," he wrote in his article. "The government is coming to the citizens to offer them something, not to take something," says Plan K in its introduction. "This is new. This will be the surprise," it goes on to say. According to additional details heard on the street with respect to the gestation of the plan, it was prepared by Rabello, a talented communicator much sought after by the business community for conferences and panels. The person who recommended Rabello and took his plan to the president, however, was Sao Paulo businessman Paulo Brito, board chairman of Cotia Trading, a Sao Paulo foreign trade firm. Brito's company had previously employed several economists who subsequently entered the Collor administration (Joao Cunha, former president of Embraer [Brazilian Aeronautics Company]; Sergio Nascimento, former chief aide to former Economy Minister Zelia Cardoso de Mello; and Marcos Fonseca, former Secretary of Planning in the Economy Ministry).

The central objective of Plan K is to jump-start the Brazilian economy with a pleasurable injection of wealth at the same time as the government departs the economic scene by divesting itself of state enterprises and

collecting less taxes. Nowhere does this prescription suggest any measure to deal with inflation—and it says nothing about the palliative measures designed to prevent hyperinflation, such as raising interest rates. This was the criticism heard most often from the economists who read the document. They say that the current inflation is like a raging bull and the government needs a red satin cloak to subdue him. Otherwise, they say, he will trample the government before it can definitively plunge a sword into his neck.

Adulation

It is possible that the document did not touch on the inflation issue for a strategic reason. Pursuant to its logic, the suggested reform begins with a "credibility bath." The government promises to pay off its so-called social debt, lower taxes, and divest itself of its state enterprises. It thereby is able to initiate political negotiations from an advantageous position, and subsequently devise some action to take concerning inflation—even a price freeze—with political support. We have already seen how difficult it is to make a political pact when no one really wants to, but Plan K suggests that the impact of hyperinflation will itself be sufficient to open the way to an accord.

In reading the 74 pages, one perceives some very curious overtones. President Fernando Collor is gently praised in several passages. His economic shock treatment of the early days of his administration is compared to the good moments of the Cruzado Plan, and the president's ideas concerning the economy are summed up as the "Collor Doctrine." Throughout all those pages, however, there is the implication that a new minister is needed. Very probably that would be Paulo Rabello de Castro, if Paulo Rabello de Castro succeeds in persuading Fernando Collor de Mello to implement Plan K.

Except for the "job feelers," the adulation, and several absurdities such as the statement that a patriotic mobilization of accountants is necessary to achieve greater frankness in the balance sheets of companies, Plan K contains some revelatory theories concerning the economy. The plan begins by considering the current inflation as a camouflaged process of hyperinflation—a theory that is quite possibly correct. People who have analyzed the economy usually conclude that the nation is terribly discouraged in the face of its difficulties, and that in this condition it has little strength to react. The document expresses the belief that the crisis could provide the impulse for a drastic reorganization of the economy—another theory that is essentially correct. Just as any grandiose plan for economic reform this one too could turn out badly, but it is quite possible that the government will be tempted by the proposal. It is at least an innovative plan, in a country that knows only the same incompetent ABC's of half a dozen economic experts who have "hit the canvas" in their attempt to end the economic suffocation that afflicts everyone.

* Public References Made to Collor's Impeachment

92SM0060A Sao Paulo VEJA in Portuguese
9 Oct 91 pp 32, 33

[Article by Roberto Pompeu de Toledo]

[Text] A "spring madness" has in recent days insinuated itself into Brazilian politics—a madness that answers to the diabolical, despicable, hateful, appalling, saturnine, frightful, atrocious, accursed, lethal, and ugly word "Impeachment"—an English word equivalent to the Portuguese word "impedimento." In plain language, it is a way (an elegant way, some believe) to destroy a public officeholder (in this case, the president of the Republic) by stepping on his neck, tearing out his viscera, decreeing his civil death, quartering his body, and condemning him to eternal disgrace. At first the vile word was barely whispered, behind closed doors. It gradually became more audible and eventually attained status by being uttered publicly through the use of various artifices such as the one employed by Deputy Aloizio Mercadante (PT [Workers Party]-Sao Paulo), who in the daily FOLHA DE SAO PAULO advocated the impeachment of President Fernando Collor. "Impeachment is a constitutional option," Mercadante said, "and is therefore democratic."

The same FOLHA DE SAO PAULO also suggested this extreme measure, in a confused piece of boilerplate devoid even of the solemnity of an editorial. "The government seems to be crying out for a single solution: impeachment," the newspaper wrote (to the amazement of its readers) in an Editor's Note that ventilated a dispute with administration spokesman Claudio Humberto—a subject that would more properly have been treated in a much less strident manner. Finally, the infamous word was spoken in the presence of the president himself at a press conference held last Monday. But instead of crossing himself three times, becoming indignant, cutting off the conversation, shouting, or lapsing into profound meditation (as he did standing before the John Lennon memorial in New York), Collor joined in the discussion as if it were about something commonplace such as a marital crisis. "A process such as the impeachment of a president elected by popular vote," the president said, "is somewhat complicated."

"Ignorant Masses"

Historian and political scientist Luiz Felipe de Alencastro characterizes the discourse on impeachment as "absurd." "It's like 1964," he says. "Everybody believes he is going to obtain some advantage, but in the end everyone loses." Senator Fernando Henrique Cardoso (PSDB [Brazilian Social Democracy Party]-Sao Paulo) adds: "People are confusing a government crisis with a crime against the State." Raising the possibility of impeachment is harmful to the nation for several reasons, one of which is the fact that it is a source of embarrassment. It represents historical regression to a time when coups d'etat were an integral part of Brazilian politics. "These men cannot take office, should not take

office, and will not take office," said the wily Carlos Lacerda during the madness of the summer of 1955, between the election and the inauguration of the Juscelino Kubitschek-Joao Goulart duo. That is the way the republic was, in the shadow of the 1946 Constitution. There was talk of overthrowing governments, preventing inaugurations, and stealing elections in a manner as primitive as the arguments that were used to defend these positions. At the time of the election of Juscelino and Jango [Joao Goulart], the so-called Brazilian Anti-communist Crusade was preaching that the two men should be denied inauguration because they had been elected by "ignorant, suffering, disillusioned masses."

Mercadante says that impeachment is not a coup d'etat because it is in the Constitution. "The truth is," the political scientist Bolivar Lamounier counters, "impeachment is a remedy that is put into constitutions so that it will not be used. Above all, resorting to impeachment amounts to a coup when the situation under scrutiny does not clearly constitute a crime. "The purely political use of impeachment always raises the suspicion that it is being used because a coup d'etat is not an available option," declares the historian and lawyer Raimundo Faoro. Lamounier emphasizes that in order for impeachment to take place there must be a "specific, proven, irrefutable crime." "Where is the crime?" Fernando Henrique Cardoso asks. "What you have here," he says, "is the suspicion that acts have taken place in violation of the Constitution but without sufficient basis for the suspicion." The best piece produced in recent days on this matter was an article by Professor of Philosophy Jose Arthur Giannotti, also in the FOLHA DE SAO PAULO. "Although I do not doubt," Giannotti wrote, "that Brazilian corruption has reached intolerable levels, I fear that the fight against this evil will reach the same levels."

Impeachment is such an ugly beast that it has played a role similar to that of the Loch Ness monster: it serves to frighten people, but in the modern world its actual existence remains to be proved. In the beginning it was very useful in England, where it originated as a tool to be used against disagreeable cabinet ministers. After 1805 it fell into disuse, however, having been replaced—in a parliamentary system that was now mature—by the no-confidence motion, a device by means of which cabinets fall without the trauma of inquisitions and anathema. This is one of the confusions that has been created in Brazil. Impeachment is discussed as if it were a harmless tool such as the no-confidence motion in the parliamentary system. Indeed, impeachment is so far from being harmless that in the United States—which inherited it from Great Britain, perfected it, and adapted it to the presidential system—it has been invoked against only two presidents over a period of two centuries, and in neither case did it result in conviction. The first time—in 1868—the defendant was President Andrew Johnson, Abraham Lincoln's successor. The Senate acquitted him, on grounds that no specific crime had been committed. The second time—in 1974—the impeachment action was initiated against Richard Nixon, who ultimately resigned while the case was still at the committee level and remained to be considered by the House in plenary session and later tried in the Senate. In Brazil there has been no lack of threats of impeachment against presidents ranging from Marshal Deodoro da Fonseca to Jose Sarney, but they have been only threats. Here, as in the Third World in general, the more direct method of the coup d'etat has always been preferred.

Suppose we acquiesce in this current "spring madness" and assume, as a working hypothesis, that impeachment makes sense and that Collor has committed one or more of the crimes characterized in the Constitution as crimes of presidential responsibility, such as crimes committed against the Union, the free exercise of powers, internal security, or the probity of the executive branch, or failure to comply with provisions of the budget, laws, or judicial decisions. To begin with, there is some legal doubt as to whether Article 85 of the Constitution—which lists these crimes—is in force or requires revision. The argument that it requires revision was one of the reasons for the failure of the feeble attempt at impeachment in 1989 that took the form of a "CPI [Congressional Investigating Committee] on Corruption" conducted by the then Senators Jose Ignacio and Carlos Chiarelli.

A Nation Torn Apart

But let us suppose that this obstacle does not exist. An action will then be initiated which—after it is prepared in the Chamber of Deputies—will reach fruition only if and when two-thirds of the deputies consider that an indictment of the president is warranted. Is that all? Far from it. The impeachment action then goes to the Senate, which—transformed into a court of law—will have the duty of pronouncing judgment. All of this involves months of tortuous formalities that are complicated by the necessity of obtaining large majorities. But let us continue. Suppose once again that at the legal and formal level every problem can be surmounted. What is the political picture that would result? It is inescapably one of a nation torn apart, in a situation that by comparison would make the current situation look like the situation in Switzerland.

Misuse of a powerful threat such as impeachment (the equivalent of a political death sentence) is currently threatening Sao Paulo Mayor Luiza Erundina. As additional evidence of the demented form that the Brazilian political process can take, Mayor Erundina—whose integrity is acknowledged even by her adversaries—is being threatened by an Accounting Office and by a group of members of the city council who are under a cloud of suspicion. All this makes it even more incomprehensible that a deputy such as Mercadante, a member of Erundina's party, is prepared to use the same blunderbuss against Collor. To tell the truth, however, this insidious talk of impeachment is coming not only from the Left. The Right is also flirting with the idea, through the medium of several of its more conspicuous figures in

Congress. And in the midst of all this, an "out-of-sync" vice president such as Itamar Franco is—in actuality—offering aid and comfort to the coup enthusiasts by firing off a whole battery of provocations against the government of which he is a member.

A Zodiacal Inferno

"Be careful," warns Tasso Jereissati, former governor of Ceara and national chairman of the PSDB. In his opinion there are two phrases in circulation that also mean "coup," even though they do not dare include the word impeachment: "Constitutional solution" and "solution through Congress." Bahia Governor Antonio Carlos Magalhaes, Collor's former favorite political expert, has enriched the debate with a reverse line of reasoning. "Talk of impeachment," he says, "only helps Collor." Magalhaes believes that in addition to not getting through Congress, impeachment would cast the president in the role of a victim of scoundrels who want to steal the government from him. Few people, in fact, have any doubt that the government has behaved foolishly every since the failure of its economic plan, and that the president is passing through a zodiacal inferno in which the anticorruption facade became mired in the "basic baskets" ordered by the LBA [Brazilian Welfare Legion] in Canapi and the old technique of "marketing charm" became a futile exercise. But to return to Giannotti's article, the "solution" must necessarily be via the political route, not by the "destructuration of policy." The nation has already lost a great deal recently, in areas ranging from economic growth to hope. There has been one enormous gain, however: that of democracy reconquered, revised, and expanded. Do we want to lose that, too? Do not think that an impeachment process could be confined to the person of the president without discrediting democratic institutions. For democracy it would be the "solution" of the samurai—hara-kiri—minus the nobility of spirit.

Chile

Police Disperse Supporters for Hunger Strikers

PY1211212091 Santiago Radio Chilena Network in Spanish 1600 GMT 12 Nov 91

[Report by Carlos Alzamora from Bulnes Square]

[Text] The situation is tense at this moment. The Carabineros launched tear gas at groups attempting to block normal traffic on Bernardo O'Higgins Avenue, particularly the Paseo Ahumada intersection, where a few minutes ago 50 to 100 people managed to block traffic for a few minutes and sang slogans in support of the people who have been on a hunger strike for more than 40 days.

The water cannon is heading towards the intersection to disperse the people who moved when the tear gas canisters were launched. The dispersion should allow normal traffic to flow toward northern Santiago, but they are again attempting to block traffic.

It was unofficially reported that some people were detained.

The Carabineros remain at a distance while attempting to stop the demonstrations, which, as previously reported, are marching on La Moneda Palace from different points to demand the release of the political prisoners.

The Carabineros are vigerously protecting the area close to La Moneda Palace, between Amunategui Street and Bandera Street. This area was cordoned off by the Carabineros, who are not allowing some people to enter, especially those who are suspected of heading towards La Moneda Palace.

Aylwin Criticizes Protesters

PY1311015691 Santiago Radio Cooperativa Network in Spanish 2200 GMT 12 Nov 91

[Report by Manola Robles from Constitucion]

[Excerpt] President Patricio Aylwin regrets the fact that the relatives of political prisoners do not recognize the government's concern with the problem, and their persistence of staging demonstrations do not help solve anything. He recalled that he had described as very urgent the projects that are pending in Congress on the designation of judges to speed up the legal processing of political prisoners. He said that they have seen how the government acted with respect to the issue.

[Begin recording] [Aylwin] I understand them from a human viewpoint, but I think it is unreasonable to continue exerting pressure because this is not the appropriate way to solve the situation.

[Unidentified reporter] Have the Carabineros been instructed to act against the street demonstrators?

[Aylwin] The Interior Minister told me this morning that the demonstrators do not belong to a recognized organization such as the Organization of Relatives of Detainees and Missing People or the National Political Prisoners Coordinating Board. They belong to another organization not recognized by the government. They announced that they were going to stage a demonstration without reporting it to the authorities beforehand; there must be compliance with the directives. The right to a meeting is respected if people at least report to the authorities where they will hold the meeting. This is the civilized way to act. People should act in keeping with the laws. [end recording]

Aylwin said that if directives are not observed, then methods of dissuasion are adopted, and he mentioned the need to resort to the water cannon. [passage omitted]

More Than 100 Detained

PY1311131491 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 13 Nov 91

[Excerpts] More than 100 people were detained yesterday during the incidents on the day of mobilization called by the Committee of External Support for Political Prisoners on Hunger Strike [Comite de Apoyo Externo a los Presos Politicos en Huelga de Hambre].

The incidents began at about 1300 when some demonstrators tried to reach the La Moneda Palace, demanding the release of political prisoners.

Carabineros personnel dispersed the groups of demonstrators with water cannons and tear gas canisters because the demonstration had not been authorized. This led to violent clashes between the police and youngsters who hurled stones and Molotov cocktails.

The Carabineros have not supplied the official number of detainees, although unofficial reports mentioned 140 detainees. Metropolitan Intendant Luis Pareto said that he was informed that 48 people were arrested.

One group of detained demonstrators was found to be carrying acid bombs that they were going to use against the police.

The worst incidents took place in the area comprising Paseo Ahumada; Moneda Street; Agustinas Street; Huerfanos Street; Bandera Street; Morande Street; and Bernardo O'Higgins Avenue. About 400 demonstrators were involved in these incidents.

The area near the La Moneda Palace was strictly guarded and the demonstrators did not manage to reach the government seat.

The incidents continued sporadically during the afternoon. Disorders were also reported at the former Teachers School [Ex Pedagogico] and near the University of Chile Engineering School on Pochef Street. [passage omitted]

More than 276 people were detained yesterday following incidents throughout the capital.

According to latest police reports, more than 250, 276 to be exact, people were detained. Most of them are being held at the 1st and 3d Carabineros Precincts in downtown Santiago.

A report released this morning states that Ivan Carrillo, the president of the Movement in Support of the Hunger Strike by Political Prisoners [Movimiento de Apoyo a la Huelga de Hambre de los Presos Politicos], was among those detained.

At least three explosions were heard last night in our capital during the so-called peaceful protest called by the self-styled Committee of External Support for Political Prisoners on Hunger Strike.

Police reports indicate that one explosion took place at a UDI [Independent Democratic Union] office in Pudahuel District. It caused huge property damage but no one was injured.

Two other explosions were reported in the Estacion Central District.

Police sources reported that a bus was burned by unidentified individuals at the intersection of Salesianos and Juan Rivadeneira Streets in San Miguel district. At least four individuals, wielding firearms, were involved in this incident.

Several street demonstrations, including tire burning and political agitation, were reported last night throughout Santiago, but police sources added that traffic in the city was not obstructed; that the situation was not serious, and that it was under control.

Church Asked To Intervene

PY1211203091 Santiago Radio Chilena Network in Spanish 1600 GMT 12 Nov 91

[Text] The Communist Party of Chile [PCCh] asked the Catholic Church to use its influence to solve the problem of the political prisoners who are on a hunger strike. This was reported by PCCh President Volodia Teitelboim after meeting with Monsignor Carlos Gonzalez, president of the Episcopal Conference.

The PCCh leader said that the bishop pledged to conduct negotiations in this regard and voiced his concern about this issue.

[Begin recording] [Teitelboim] He was very interested and concerned. He said he would conduct all possible negotiations in order to solve the problem on the basis of saving these people's lives.

[Unidentified reporter] Did he offer his mediation?

[Teitelboim] He did not actually use the word mediation. Rather, he said negotiations, talks. [end recording]

Teitelboim said that, in his opinion, the government expressed interest in the political prisoners, but has not done everything possible to release them. He insisted on the need to expedite the cases in order to fulfill the promise that there would be no political prisoners by the end of this year.

The PCCh president voiced support for amnesty, but not a general one since this would entail impunity for horrendous crimes.

Silva Criticizes Sanctions Against Cuba

PY1311130691 Madrid EFE in Spanish 1124 GMT 13 Nov 91

[Text] Vienna, 13 Nov (EFE)—Chilean Foreign Minister Enrique Silva Cimma expressed today his opposition to

the economic and trade sanctions against Cuba with [words indistinct] the independence of its political regime.

"Each country is free to determine its own regime, although we hope that Cuba will enter an era of democracy and freedom," Silva stated. The foreign minister is visiting Austria seeking investments for his country.

"Chile will be the first country to protest if any other country imposes sanctions against Cuba because we believe in the principles of sovereignty and noninterference in the internal affairs of a state," he said.

Silva stated that Chile does not currently maintain full diplomatic relations with Havana, "just consular and trade relations because there are still pending matters that have to be resolved."

On 12 November Cuba submitted a draft resolution to the United Nations demanding the abrogation of U.S. economic sanctions based on their extraterritorial nature and the violation of several articles of the UN Charter.

PCCh Supports Cuban Stance

PY1211233291 Santiago Radio Chilena Network in Spanish 1600 GMT 12 Nov 91

[Text] The Communist Party of Chile [PCCh] supports the position of the Cuban Government, which asked the UN General Assembly to include in its agenda the issue of the U.S. blockade against Cuba.

The PCCh asked that the blockade be terminated in order to pave way for Cuba's full reinstatement into the inter-American system. The PCCh also stated that this initiative is in keeping with the spirit of the Guadalajara summit and the Group of Three [Mexico, Venezuela, and Colombia] proposal.

PCCh leaders Carlos Zuniga, Mario Aguirre, and Miguel Beltran asked the Chilean Government to take an active position to end the blockade and to reestablish full diplomatic relations with the Caribbean island.

Relations With U.S. 'Enjoying Very Good Moment'

PY1211124291 Santiago Television Nacional de Chile Network in Spanish 2200 GMT 11 Nov 91

[Text] Foreign Policy Director General Carlos Portales said that after a lengthy period of problems and disagreements, U.S.-Chilean relations are enjoying a very good moment. Most of the pending matters of national interest that the current government had to confront were satisfactorily overcome.

Portales said that a useful exchange of presidential visits was carried out, and that Chile managed to rejoin the Generalized System of Preference; also, the Kennedy Amendment was lifted; and military relations were restored.

Among pending matters, Portales said that there are still major problems to be solved like indemnification for the poisoned grapes; the protectionist measures that affect commerce; marketing orders [preceding two words in English]; and some occasional misunderstandings that occur within bilateral relations.

He said that the people are aware of the trend in the country to excessively dramatize relations with the United States, a fact that he deemed very inappropriate. The main objective of the Foreign Ministry is to normalize bilateral relations and to overcome the great problems that separated the two countries in recent times. As soon as negative aspects were overcome, normalization of relations was achieved. It is now important to maintain and improve the access of Chilean products to the U.S. market; to promote U.S. investments in Chile; to continue negotiating a reduction of the foreign debt; and to develop new methods of bilateral cooperation that were announced, referring mainly to environmental protection.

Portales expressed his desire to maintain fluid, stable, and balanced political relations not only with the U.S. executive branch but with all important sectors of that country.

Portales said that the possibilities offered by the Americas Initiative are important. He said that Chile took the greatest advantage of this U.S. program, and that after Mexico, Chile is the best candidate to begin free trade negotiations. He said that the Chilean Government formally proposed starting these negotiations as soon as possible, namely when the ambassador is changed next month.

Aylwin Signs Constitutional Reform Decree

PY1311002091 Santiago Radio Cooperativa Network in Spanish 2200 GMT 11 Nov 91

[Excerpt] President Patricio Aylwin stated that he signed the decree promulgating the constitutional reforms that will make it possible to elect mayors and councilmen in June 1992. The reform would also approve the respective regional and municipal organizational laws. Asked about whether the National Renewal Party [RN] could block future reforms because of current relations between the executive branch and the RN, Aylwin said: I trust this will not occur.

Concerning charges made by the rightist sector that the executive branch's decision to send the constitutional reforms to Congress on 11 March 1992 could have a political objective in the light of upcoming council elections, Aylwin said:

[Begin recording] This is a very whimsical opinion. The truth is that the government announced its decision to propose and implement these reforms during the presidential campaign. I said that if I was elected president, I was going to propose a series of constitutional reforms. [end recording]

Aylwin stressed the series of constitutional reforms that were carried out thus far, and with regard to the future, he confirmed what he said during an interview granted to El Diario de Cooperativa.

[Begin recording] I announced the timetable for the constitutional reforms that are still pending. We will propose electoral reform in January and the rest in March. This is part of the government's plan to try to implement its program. [end recording]

Aylwin made these remarks after a meeting with the leaders of student associations from the Linares zone during which the youths conveyed to him their problems. [passage omitted]

Officials Visit Antarctic, Reaffirm Sovereignty

PY0911140891 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 8 Nov 91

[Text] A group of 20 congressmen, members of the government and interior committees and presidents of the two houses, visited the Antarctic. For the first time in history, they held an official session at the Captain Arturo Prat Navy Base in the Antarctic. The congressmen unanimously approved a declaration reaffirming the Antarctic Treaty and Chilean sovereignty in the Antarctic.

[Begin first unidentified congressman recording, in progress] ...especially the new protocol that forbids exploitation of the white continent for 50 years. We call on the countries that have not signed this treaty to sign it, especially the United States. We also think that the ecological subject, that is, the thinning of the ozone layer, should be accorded priority, especially during the UN Conference on the Environment and Development, which will take place in Brazil next year. [end recording]

[Begin second unidentified congressman recording, in progress] ...and tell the Chilean people that it is the most beautiful part of the world; not only beautiful, but pure. It is untouched, clean, and must remain that way. This is why we Chileans oppose economic exploitation of the Antarctic. It must remain a sanctuary for scientific research, a sanctuary of purity since the icebergs that come from there maintain the temperature of the world and the sea. [end recording]

Navy Announces New Appointments, Retirements

PY0811222691 Santiago EL MERCURIO in Spanish 31 Oct 91 p C2

[Report by Hernan Cisternas Arellano]

[Excerpts] Valparaiso—The Navy issued at noon yesterday the list of new appointments and promotions. According to this list, proposed by Navy Chief Jorge Martinez Busch and approved by President Patricio Aylwin, five rear admirals will retire and six captains will be promoted and appointed to the Navy High Command.

The following rear admirals will retire: Horacio Groetaers Toso, comptroller; Octavio Bolelli Luna, Chilean naval mission chief in London; Jaime Marin Moreno, Marine Corps commander; Arturo Vasquez Norman, Navy Supply and Accounting Department director; and Fernando Sarabia Neumann, Third Naval Zone commander. Their order of seniority in the Navy was eighth, 16th, 19th, 20th and 25th, respectively.

The following captains were appointed to the Navy High Command and promoted to rear admiral: Michael Gubbins Cornish; Jaime Donoso Droghetti; Arturo Oxley Duenas; Eduardo Berardi Gaete; Miguel Alvarez Ebner; and Francisco Sanz Soto.

In view of these new appointments, the Navy High Command will have 16 new members.

Vice Admiral Alfredo Gallegos Villalobos, the current fleet commander in chief, was appointed chief of staff.

Vice Admiral Juan Mackay Barriga, the current personnel director general, was appointed fleet commander in chief.

Rear Admiral Jorge Patricio Arancibia Reyes, the current chief of staff, was appointed commander of the First Navy Zone. He replaces Rear Admiral Oscar Vidal Walton, appointed personnel director general.

Rear Admiral Carlos Schnaidt Parker [name as published], chief of the Chilean naval mission in Washington, was appointed deputy chief of staff.

Rear Admiral German Goddard Duffeu, the current Fourth Naval Zone commander, was appointed Education Department director.

Rear Admiral Ariel Rosas Mascaro, the current Navy defense deputy chief of staff, was appointed naval aviation commander.

Rear Admiral Hugo Bruna Greene, current Training Department director, was appointed Third Navy Zone commander.

Rear Admiral Pedro Arrieta Gurruchaga, the current welfare director, was appointed chief of staff.

Rear Admiral Roman Fritis Perez, the current deputy chief of staff, was appointed Fourth Navy Zone commander.

The six officers who were appointed to the Navy High Command will hold the following posts: Capt. Michael Gubbins Cornish was appointed Navy inspector; Capt. Jaime Donoso Droghetti was appointed welfare director; Capt. Arturo Oxley Duenas was appointed Navy mission chief in Washington; Capt. Eduardo Berardi Gaete was appointed Navy mission chief in London; Capt. Miguel Alvarez Ebner was appointed Navy Infantry Corps commander; and Capt. Francisco Sanz Soto was appointed Navy supply and accounting director. [passage omitted]

Speaking about changes in the Navy High Command, Defense Minister Patricio Rojas said that like last year, everything was completely normal. He added that he and the Navy commander were in constant contact to discuss the different proposals for promotions and retirements.

Rojas said: "I am pleased to say that the president accepted all the promotions and retirements that were proposed to him." [passage omitted]

Investment Protection Accord Made With Swiss

PY1211155491 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 12 Nov 91

[Text] The governments of Chile and Switzerland signed an agreement on protection of investments between the two countries. The agreement was signed in Bern by Foreign Minister Enrique Silva Cimma.

The Foreign Ministry reported that the agreement will encourage Swiss investments and increase the presence of Swiss companies in Chile.

Concluding his visit to Switzerland, the foreign minister met with Chilean residents in Bern. Silva reiterated the government's gratitude to the Swiss authorities who gave refuge to the dozens of Chilean families that arrived as political exiles.

Letters Rogatory for Suspect Sent to Spain

PY1211160891 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 12 Nov 91

[Text] The Foreign Ministry sent letters rogatory to Spain, seeking the extradition of Sergio Olea Gaona, a 23-year-old Chilean citizen. Olea is the only person so far indicted in the case of the assassination of UDI [Independent Democratic Union] Senator Jaime Guzman.

The letters rogatory must be accepted by the Spanish Foreign Ministry, which must then send them to the Justice Ministry and then to the Council of Ministers. The proceedings will take about 30 days.

UDI Secretary General Joaquin Lavin and Miguel Schweitzer, the Guzman family attorney, will travel to Madrid this week to expedite the proceedings with the Spanish courts.

Olea has been held for two weeks at the Carabanchel Penitentiary in Madrid after the Chilean police asked the Spanish police to hold him.

Woman Says FMR Responsible for Attacks

PY0811160091 Santiago EL MERCURIO in Spanish 30 Oct 91 p C6

[Report by Hernan Cisternas Arellano]

[Excerpts] Vina del Mar—In a telephone call to the media on 29 October, the Manuel Rodriguez Front [FMR] admitted attacking, just before midnight on Monday, a building at 132 Alvarez Street which is used by the Maipo Regiment and which served as the seat of the former National Intelligence Center, CNI. [passage omitted]

Following the wave of attacks, an alleged FMR spokeswoman, who identified herself as Gabriela Perez Nilo from the Raul Pellegrin commando, called the main offices of EL MERCURIO to state that her organization executed those terrorist attacks.

According to the telephone operator who received the call, the woman gave her name and started to give details of the attacks, presumably reading a text containing five points.

She stated that the FMR declared itself free to attack persons who allegedly committed human rights violations, and against those who indirectly supported them or those who did not react to them.

According to the telephone operator, the spokeswoman said that the Raul Pellegrin commando of the FMR executed the attacks because it was Rodriguista day. She added that the government does not have the will to resolve the critical situation that is being experienced by the people, and that President Aylwin and the Coalition [Coalition of Parties for Democracy] are defending the market economy implemented by General Pinochet.

In another passage of her message, the woman said that there are still political prisoners in custody while the murderers are free.

She said that they attacked the premises of the judicial branch because it is a reactionary branch of power, and they attacked the penitentiary organization because it represses political prisoners.

In the final part of her message, she called on all MIR [Movement of the Revolutionary Left] members, communists, and Lautaroists [Lautaro Rebel and Popular Front] to join the struggle. [passage omitted]

More than 1,200 employees who work in the building of the Chilean Construction Chamber had to wait for nearly 3 hours in the street after being evacuated after a bomb scare was received yesterday at 1700. The building is located at 10 Marchant Pereira Street between Setiembre and Providencia Streets. [passage omitted]

Personnel of the 19th Carabineros Precinct made a floor-by-floor inspection of the offices and found absolutely nothing. The officer in charge said: "An anonymous telephone call was received and we came to the scene. We did not even find a suspicious package." The police left the building at 2000.

Development Corporation To Handle Business Plan

PY0911193291 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 9 Nov 91

[Text] Corfo [Production Development Corporation] will handle the Mid-Sized and Small Business Program. Economy Minister Carlos Ominami and Corfo Chairman Rene Abeliuk announced this during a joint news conference.

Economist Carlos Cruz was named the program's executive secretary. The program's purpose is to approve and follow up the implementation of programs and policies to modernize that important field of our national economy. Minister Ominami said the various programs implemented to help the area were welcomed by entrepreneurs.

[Begin recording] We have the impression that this program was of great interest to small and mid-size entrepreneurs. I think this is the first time the country is making a significant effort to implement a specific program in this field. We believe that the program is very important because, as we said many times, the country must strengthen its productive future. It is therefore necessary to have more companies and more entrepreneurs. [end recording]

Ominami mentioned the program of public financing for these businesses through the state bank. He also mentioned the program of subsidies to contract professionals; the creation and operation of the fund for technological development; the implementation of the leasing [preceding word in English] system, and now the [word indistinct]. All these programs will support those businesses while modernizing and improving production, Ominami said.

Ominami said that the private sector must support these programs as much as the public sector because each one cannot confront the problem alone, due to its magnitude.

[Begin recording] This is the basic idea. It is an innovative program and the public administration will give it all its support. But the private financial system must do the lion's share in the field of financial assistance. These businesses are expected to make an important contribution to the creation of jobs; to the strengthening of the productive structure; and the diversification of our exports. When you review what is happening in this field, you find that we already have an interesting diversification of more elaborate products. Mid-sized businesses are opening new markets. They are taking the lead in the diversification effort. We are not talking about a policy to help needed small businesses. We are talking about something that has great potential. Anyone analyzing, as I have done, the Japanese, Korean, or Italian experiences will find that these policies are essential to promote development in our country. [end recording]

Corfo Chairman Rene Abeliuk said that technological development of this area is basic and reaffirmed Ominami's words regarding other countries' experiences.

[Begin recording] The development of small and mid-sized businesses is essential. We discussed the experiences of Japan and Korea before this conference. I visited these countries and tried to research issues that concern Corfo as much as possible. What they have in those countries is...[changes thought] I wish we could have something similar. There is an entire system of special legislation and specialized government organizations with power and resources to support this area. Our development model lacked something similar. The country's development would have stalled if we did not implement a program to support small and mid-sized enterprises. [end recording]

The government created the Executive Secretariat of the Small and Mid-sized Business [Secretaria Ejecutiva de la Pequena y Mediana Empresa] to see that different proposals are approved and to follow up their implementation and prevent and solve obstacles until their final conclusion.

'Spy' Plane Detected Over Isla Grande Area

PY1311014091 Madrid EFE in Spanish 1602 GMT 12 Nov 91

[Text] Santiago, 12 Nov (EFE)—According to a report in a Santiago daily today, an alleged spy plane flew over unauthorized and strategic zones in southern Chile. According to the daily LA TERCERA DE LA HORA, the mysterious plane was detected by the Chilean Air Force (FACh) on 7 November over the Isla Grande area, Punta Arenas, 2,470 km south of the capital.

The presence of the plane automatically activated defense systems in the Austral Military Region, the most important in the country; it controls the area that was almost the cause of a war with Argentina in the past. That conflict was caused by a sovereignty dispute over the Beagle Channel, which was resolved following mediation by Pope John Paul II.

Citing FACh sources, the newspaper reports that the foreign plane ignored coded questions sent from the ground and its radio was turned off, which is forbidden by international regulations.

The sources said that invasions of Chilean airspace are common in that area because of changing climatic conditions, but added that it was unusual for a plane to turn off its radio and ignore signals from the ground.

The FACh installed advanced detection systems in Punta Arenas. It was mentioned, as an example, that Argentine combat planes can reach the region from Rio Gallegos in only eight minutes.

New Mine To Yield 2,000 Kg of Gold Per Year

PY0811224491 Santiago EL MERCURIO in Spanish 2 Nov 91 p B2

[Summary] Antofagasta—The San Cristobal mine inaugurated on 31 October by Mining Under Secretary Ivan Valenzuela will produce 2,000 kg of gold per year. The gold reserve is located 165 km northwest of Antofagasta, 1,200 meters above sea level, in the Sierra Gorda area. The mine contains reserves of approximately 27.7 million metric tons of gold.

Paraguay

Movement Calls For Support of Cuba at UN

PY1111114491 Asuncion HOY in Spanish 9 Nov 91 p 6

[Text] Paraguayan Free Fatherland Movement (CPL) representatives presented yesterday at Lopez Palace a document requesting that the Paraguayan Government vote in favor of Cuba in the 46th UN General Assembly.

The document, which was addressed to President Andres Rodriguez but handed to Ambassador-at-Large Miguel Angel Gonzalez Casabianca, also requested that Paraguay vote for "the immediate withdrawal of U.S. forces from Cuba."

It calls for the "halt to U.S. interventionist policy and the withdrawal of military occupation troops from Grenada, Panama, Honduras, El Salvador, Guatemala, and all other countries where the rights to self-determination and sovereignty are being violated."

The document, which was signed by Juan Arrom, Hugo Ruiz Diaz, and Arnaldo Mora, concludes by requesting that "the United States comply with international laws and strictly respect the sovereignty of the peoples, their right to self-determination, and the nonintervention principle."

Bolivia Lifts Visa Requirement for Paraguayans

PY1211133091 Asuncion ABC COLOR in Spanish 12 Nov 91 p 10

[Excerpt] Carlos Ramos, the Bolivian consul general in Paraguay, reported on 11 November that the Bolivian Government has decided to eliminate the visa requirement for Paraguayan citizens who want to visit Bolivia. Bolivian Ambassador to Paraguay Guillermo Tinneo Leigue, has stated that this measure "clearly shows our desire to strengthen ties and to facilitate exchange between our countries." Oscar Cabello, Foreign Ministry general affairs under secretary, has said that the drug trafficking problem is presumably preventing the Paraguayan Government from adopting similar measures.

In a surprise move, the Bolivian Consulate on 11 November reported the unilateral measure of its government to eliminate the visa requirement for Paraguayans who want to visit Bolivia. As of now any Paraguayan who wishes to visit the neighboring country for up to 30 days will not need a visa. [passage omitted]

Exports Decline Through October 1991

PY1111143491 Asuncion PATRIA in Spanish 11 Nov 91 p 9

[Summary] According to information supplied by the General Directorate of Customs, Paraguay exported goods worth $623,850,361 from January through October 1991, compared with $883,461,770 exported during the same period of 1990. This represents a 29.4-percent decline in revenues from exports while the decline in terms of quantity has been even more significant: 1,844,648.5 metric tons of goods were exported this year, compared with 2,961,126.7 metric tons exported during the same period last year.

Peru

New Ministers To Continue Government Policy

PA1311015791 Lima Panamericana Television Network in Spanish 1200 GMT 8 Nov 91

[Interview with Foreign Relations Minister Augusto Blacker Miller, Energy and Mines Minister Jaime Yoshiyama Tanaka, and Health Minister Victor Paredes Rojas by unidentified reporters, in Lima on 7 November; passages within quotation marks are recorded]

[Text] The members of the new Council of Ministers, led by Labor Minister Alfonso de los Heros, have begun to assume their posts. Once sworn in, each minister said that he will continue the programs implemented by his predecessor. They each expressed their strong desire to reach the goals and objectives set by the government.

Augusto Blacker Miller, the new minister of foreign relations, said that he will work toward consolidating the actions directed at improving the country's image, and completing the reintegration of Peru into the international financial system. He will also conclude everything that relates to the trip of the plenipotentiary commission to the guarantor countries of the Rio de Janeiro Protocol. Blacker assumed his new post on 7 November.

Blacker stated that the principle task for the future will be to coordinate joint actions to reinforce the efforts being made to reenter the international economic system and to improve Peru's image abroad. Concerning the plenipotentiary ambassadors, he said that they will meet on 9 November to discuss the activities to be carried out in each of the guarantor countries.

[Blacker Miller] "We must understand that this is not a stage like so many others we have lived through. In my opinion, I see this as a force that points us down a new path for the country. I ask you to take that new path and the new challenge in good spirit, with resolve, and with

commitment. The fact that I am here speaking to you today means that I am nothing more than just another Peruvian who is struggling to make this country of ours, better, more human and more just every day for all Peruvians."

After being sworn in as the new minister of energy and mines, Jaime Yoshiyama Tanaka, the former minister of transportation and communications, promised to promote private investment in his sector. He expressed optimism about the available prospects for private investors in the fields of mining, oil, and energy. He cited the need to modernize mining, oil, and energy legislation.

Addressing a ceremony at which the new ministers were presented, Fernando Sanchez Madera, the former minister of energy and mines, underscored the professional and personal quality of his successor. He pointed out his major achievements in creating a positive atmosphere for investment as head of the Energy and Mines Ministry. He said that the general mining law is ready to go into effect. He encouraged his successor to struggle for a coherent economic policy.

[Yoshiyama] "I am going to continue with the same policy you have been following with regard to promoting private investment in the fields of mining, oil, and electricity. Therefore, as you said before, the entire legal structure was put forward to benefit a strong investment process. I believe that I am motivated by the same goal as Minister Sanchez, attracting local and foreign investment so as to resolve various problems."

Alfonso Ross Antezana, the new transportation minister, said that credits worth about $210 million dollars will be available at the beginning of 1992 and will be used to repair our roads and highways. He made the announcement after assuming his new post. The ceremony was delayed due to protests staged by transportation workers, who went on a 48-hour preventive strike. A portion of the $210 million will be used to repair the Timbes-Tacna and Lima-La Oroya highways.

[Ross] "Undoubtedly we made really fundamental changes in the sector. Today, it is my job to manage those funds.

[Reporter] "How do you interpret this stage of indecision, or this so-called third stage of government in the transportation sector?

[Ross] "First, let me say that there is no third stage. There is only one. There is only one government; a government that emphasizes different efforts. We must now concentrate our efforts on finding a way out of the current situation. The country has not yet found a way out. What we must do is create the necessary conditions to bring investment to the country, so that Peruvians and foreigners can invest without discrimination."

Victor Paredes Rojas, the new minister of health, announced that his ministry will soon unveil an intensive campaign against cholera. He noted that there will be a comprehensive effort to fight the epidemic, taking into account that summer is approaching.

Mutual Antidrug Struggle To Continue With Chile

PY0811220091 Lima EL COMERCIO in Spanish 3 Nov 91 p A5

[Text] Chilean Defense Minister Patricio Rojas and his Peruvian counterpart, General Jorge Torres Aciego, reaffirmed their decision to strengthen bilateral cooperation in the antidrug struggle through an appropriate coordination and exchange of information.

The two ministers made this decision at the end of Torres' three-day official visit to Chile.

At the end of a round of talks, both ministers signed a press communique, which states that at the invitation of Chilean Defense Minister Patricio Rojas, the Peruvian minister made an official visit to Santiago on 28-31 October 1991 with Army Chief of Staff Division General Nicolas Hermoza.

Torres held a special meeting with Chilean President Patricio Aylwin at La Moneda Palace. During the working meetings, the ministers analyzed several matters of mutual interest related to defense. They focused on the development of the rounds of talks that were held by the Peruvian and Chilean Armed Forces commanders since 1986.

The ministers ratified the memorandum of understanding of the sixth round held in Santiago between 4 and 8 August 1991, and the Peruvian defense minister proposed that the seventh round of talks be held in Lima in 1992.

They also voiced their satisfaction with the approval by the two governments of the Administrative Agreement on Drugs and Psychotropic Substances, which was signed in Lima on 18 October 1990. They also reaffirmed their decision to strengthen bilateral cooperation in the antidrug struggle.

Three Terrorist Attacks Rock Lima Area

PA0911165091 Madrid EFE in Spanish 0431 GMT 9 Nov 91

[Text] Lima, 8 Nov (EFE)—Police sources reported that on 8 November there were three attacks with explosives in various sectors of Lima. The sources said that much property damage resulted, but no one was injured.

The first explosion damaged two bank buildings in a commercial center in San Martin de Porres District. The second explosion damaged an office of the state's telephone enterprise in El Callao, Lima's Port area. The third bomb damaged a commercial establishment in Brena District.

The sources did not attribute the attacks to any group.

Last Monday, activists of the Guevarist Tupac Amaru Revolutionary Movement [MRTA] threw explosives at 17 bank buildings in this capital. As a result, two people were slightly wounded and there was much property damage. The next day, activists of the same group threw four grenades at Lima Government Palace, but the grenades did not reach target. Two of the grenades exploded on a street behind the Presidential Palace and wounded two policemen and a street vendor. The other two never exploded.

These actions coincided with the seventh anniversary of the beginning of the MRTA armed struggle, on 4 November 1984, police sources said.

Roundup of Terrorist Activities 2-4 November

PY0911114891

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 2 and 4 November. Publication information is given in parentheses after each item.

The political-military command of San Martin and Huanuco Departments reported that on 31 October, a clash took place between the Army and a Shining Path column in Nuevo Horizonte, Tocache Province. Following the clash, the terrorists abandoned the body of one of their comrades who was later identified as a National Police member. The soldiers also captured four wounded terrorists who turned out to be Security Police members. According to local settlers, these five individuals were collecting cash contributions from local drug traffickers and settlers. (Lima LA REPUBLICA in Spanish 2 Nov 91 p 26)

The police arrested seven Shining Path terrorists who were working within San Agustin National University, and confiscated a great deal of subversive propaganda and Communist flags from them. Their names are Paulino Lima Alpaca, 39; Joaquin Sivikari Aroni, 30; Leonidas Salcedo Lima, 50; Humberto Suta Ramos, 18; Rosa Nelly Salcedo Lima; Wilfredo Salcedo Lima, 20; and Cirilo Asto Oyuri, 20. (Lima EXPRESO in Spanish 3 Nov 91 p A13)

At dawn on 3 November, members of the Tupac Amaru Revolutionary Movement, MRTA, stormed the Ancash radio station in Huaraz, overpowering two employees of the radio station. For 35 minutes, the MRTA transmitted a message harshly criticizing the Shining Path and labeling it a group of "cowards." The message was heard throughout the Chavin region. (Lima EXPRESO in Spanish 4 Nov 91 p A4)

On 3 November, 15 hooded MRTA terrorists stormed the main warehouse of the Casagrande Sugar Cooperative in Los Olivos District and stole three trucks with more than 8,000 bags of sugar. (Lima EXPRESO in Spanish 4 Nov 91 p A4)

Shining Path Activity Filters Into Lima Suburbs

PY0811234491 Lima LA REPUBLICA in Spanish 3 Nov 91 Sunday Supplement pp 6,7

[Text] The Shining Path [SL] has been furnishing a new base in the Campo Grande high grounds, in eastern Lima. In the past weeks, SL followers have been silencing all those who opposed them in the area, just as they did in other Lima suburbs. In order to accomplish their goals the SL rudely destroys existing basic social organizations.

The SL's most destructive and violent operation—which have increased since the first week in September—was the murder of Fortunato Collazos and Alfredo Aguirre, two popular leaders of the Juan Pablo II shantytown.

The dismantling of neighborhood organizations, soup kitchens, mothers' clubs, and other local autonomous organizations in poor shantytowns has began to produce results at an alarming speed and magnitude.

Wherever the SL deactivated, subdued, or infiltrated local organizations, it has silently progressed to subdue the residual resistance of remaining leaders.

All initiatives launched to counter this tide of terror since the call for the creation of a popular resistance movement have failed for lack of effective government support and fear of SL violence.

The SL activity has provoked an increase in the number of local leaders' resignations and a loss of local organizations and their leaders' credibility when presenting their demands before the population. A SL slander campaign against communal and district leaders, who are accused of corruption and incompetence, has decisively affected their credibility.

It is known that the SL considers local organizations' self-government and their peaceful negotiation of conflicts with municipal and national authorities incompatible with SL preachings. The SL proposes a struggle "to wrest the solution for basic needs from the state."

SL pamphlets and leaflets disseminated in San Juan de Lurigancho and other Lima districts also attack proposals to obtain bank loans for drinking water, electricity, or sewage disposal projects.

SL alternatives in poor neighborhoods have been to hold up food trucks and distribute the food among the population and to loot markets.

San Juan de Lurigancho, with nearly 900,000 inhabitants, is perhaps the most densely populated district in the capital. A good number of people in this district live in dilapidated areas built in the past decade by people who came to the city to escape the violence in the countryside.

Lurigancho does not have the strategic importance of Vitarte (which is considered a key district due to its geographical location; its large industrial center; its

access roads; and its electricity production and distribution centers) but it is the closest urban center to Government House.

The population of Campo Grande, located in the highest and farthest corner of the district, has been chosen for infiltration, something we already reported in a previous report on Sunday. This penetration attempts to be a new beachhead to control the capital's periphery, and, for the first time in 11 years of war, to enforce an effective boycott of the November 1992 municipal elections. The call to a provincial armed strike on that occasion would be crucial to the success of the boycott.

This is the SL's short-term goal for Lima. It is part of a larger plan to move the center of the war to the cities. That in turn would imply the destruction of all organizations that do not support them and the active participation of sabotage teams and the so-called "People's Guerrilla Army" in the cities.

If the government has not made substantial changes by then in its antiterrorist policy for suburban areas, the desire to boycott the elections might materialize in some districts of the capital at least. Currently, the SL rehearses its plan by holding mock subversive actions with night demonstrations and riots such as the one that resulted in the murder of Juan Pablo II leaders.

Although it is more obvious in Canto Grande, the SL campaign continues in Vitarte and San Martin de Porres, specifically in Bocanegra.

The last issue of EL DIARIO, the official SL mouthpiece, is quite explicit in this regard: "More than 2,000 neighborhoods in metropolitan Lima will, in the plan to encircle the capital, be the inevitable stage of decisive battles."

Moreover, the SL seeks to control the wholesale markets in Lima and other supply centers where they have imposed price lists and murdered leaders, actions that go hand in hand with acts to repress crimes in the suburban neighborhoods of La Victoria and El Agustino ("operation to get rid of unwanted people," according to EL DIARIO's last issue).

At the same time, a rumor is being circulated among the labor unions that the SL might try, in the next few weeks, to take over and set afire the Manufacturas Nylon factory, located near Raucana, if the enterprise is sold and its workers remain unpaid.

In sum, Shining Path leader Guzman's supporters continue to advance in those areas where the government's presence is weakest. They always seek the maximum radicalization of the conflicts in those areas. Their provocation seeks to prompt repressive actions that they then will use to discredit the government and stir up the idea of a "new genocide" either in Raucana, Canto Grande, or Bocanegra.

Not only one but thousands of rallies will be necessary to neutralize the rising terror campaign the SL has unleashed in the poor neighborhoods of Lima. The one staged in San Juan de Lurigancho on 27 October did not result in an overwhelming reaction but rather in the first attempt at a massive reaction.

At dawn on 27 October, the SL staged hit-and-run demonstrations in various neighborhoods of this district and, at the same time, detonated bombs in strategic points of the area in addition to launching a psychological campaign with rumors that increased the peoples' uncertainty even more so.

The rally organized by the Broad Front For Peace and Development [Frente Amplio por la Paz y el Desarrollo] gathered more than 3,000 people, most of them Catholic students of the Fe [Faith] and Alegria [Happiness] Schools and members of the mothers' soup kitchens and mothers' clubs. The absence of the leaders of the neighborhoods and cooperatives, who do not want to run the same risk as Fortunato Collazos, and of the political parties' grass roots, who had questioned the rally's organization, was obvious.

The Broad Front for Peace and Development was created last 14 September, a few hours after Collazos and Aguirre were murdered. They were both the victims of a group of some 50 people, most of them women and youths who stoned and stabbed them to death, incited by an annihilation squad. It was quite obvious that the use of a mass of people to perpetrate the crime only sought to make it appear as if the people had taken justice into their own hands, and, moreover, to inaugurate in the capital an "annihilation" method characteristic of terrorists active in the mountain area.

The reaction of the civilians and their organizations could be overshadowed and even neutralized in San Juan de Lurigancho, as well as in Villa el Salvador and other districts, if the political parties continue focusing on government activities while, behind their backs, the SL's greed seeks to undermine the ancient structures and strip them of their legitimacy.

Shining Path Figure in Europe Profiled

PY1011202091 Lima LA REPUBLICA in Spanish 2 Nov 91 pp 14, 15

[Text] Luis Arce Borja is the man in charge of disseminating propaganda abroad in support of the Shining Path terrorist organization through a front organization known as the Peruvian People's Movements [Movimientos Populares Peru, MPP].

Borja works in a comfortable office in Brussels. The office is equipped with a fax, a telephone, and an offset [preceding word in English] printer. It also has translators and provides services for international distribution of classified mail [correspondencia clasificada]. He works with impunity for the Shining Path organization.

Besides the propaganda campaign in support of the Shining Path organization, the MPP also provides assistance to Shining Path terrorists and their relatives who seek refugee in several European countries where the subversives are believed to be political exiles or victims of an alleged dictatorship.

The MPP also acts as a link between Shining Path terrorists living abroad and the Internationalist Revolutionary Movement [Movimiento Revolucionario Internacionalista, MRI], an organization made up of pro-Maoist parties and groups from all over the world.

The MRI, which is headquartered in London, was founded in 1984. Well-known international terrorist groups such as the Marxist-Leninist Communist Party of Turkey and the Iranian Communists Union [names of parties as published] are among the members of MRI. The MRI disseminates its propaganda through a magazine called UN MUNDO QUE GANAR, which is published in more than 10 languages.

Borja stated that one of the latest issues of EL DIARIO INTERNACIONAL, the mouthpiece of the Shining Path organization abroad, reported that the MPP is made up of Peruvians and foreigners who have nothing to do with terrorist activities.

He also admitted that a popular war is being carried out in Peru by the Communist Party of Peru [PCP] (Shining Path organization), which is guided by the undefeated Marxist-Leninist-Maoist banners; Gonzalo's (top Shining Path terrorist leader) ideals; and confidence in victory and which is supported by the MRI. These statements clearly confirm that Borja is a member of the Shining Path organization. Borja conducts his activities from Brussels. These activities include organizing parties and seminars and drafting and publishing allegedly serious documents about Peruvian reality, arbitrarily using Peruvian personalities as sources of information, and vehement ideological pamphlets.

The MPP has a different name in each country. In Belgium, the MPP is known as the Sol-Peru Committee, which is an alleged solidarity group with the Peruvian revolution.

The committee sells reports on Shining Path activities, music lessons, and Peruvian and Latin American folk dancing lessons, pretending that these are its only sources of income.

Since international propaganda is so important to the Shining Path movement, it finances the MPP with resources obtained from drug trafficking, a scourge to which it is linked for weapons and greenbacks. This was revealed by the security forces in a document signed in Alto Huallaga by members of the Shining Path and well-known local drug traffickers.

According to Borja, in Peru revolutionary members of the Shining Path, who struggle for a fair society, clash with murderous military men, who try to preserve an unfair system that exploits millions of poor people.

Borjas is the editor of EL DIARIO INTERNACIONAL, which is published every month in various languages and distributed in Europe, the United States, and Latin America. EL DIARIO INTERNACIONAL is a version of EL DIARIO, the official mouthpiece of the Shining Path, which is circulated clandestinely in Peru.

Several European publications such as LE MATIN and DERNIERE HEURE interviewed Borja as if he were a champion of freedom of the press and Borja, in turn, has taken advantage of misinformation about Peru in Europe to announce that the Shining Path, the army of the poor, is waging a tough battle against a fake democracy, which is maintained with bloodshed and fire by the reactionary forces.

Borja has not concealed that he is a Shining Path militant; however, no Peruvian representative to a foreign country said anything about his propaganda campaigns abroad.

In the April and May 1991 issues of EL DIARIO INTERNACIONAL, Borja published a two-chapter biography of Abimael Guzman Reynoso—a man responsible for thousands of murders—who is extolled as the Peruvian proletariat's greatest guide and leader; the world's most prestigious Marxist-Leninist-Maoist leader; an illustrious theoretician of revolutionary war; and one of mankind's greatest thinkers.

Borja left Peru in March 1989 on a sort of propaganda tour of Europe, but he finally decided to establish his headquarters in Belgium. His post of EL DIARIO director was assumed by Janet Talavera, who is being held at Miguel Castro Prison in Canto Grande and who is a member of the Shining Path's Shining Fighting Trench [luminosa trinchera de combate] in the prison.

Borja, through EL DIARIO INTERNACIONAL, informs the world of events from a Shining Path viewpoint: defeats by subversives are portrayed as major victories and Shining Path setbacks are presented as brutal massacres by security forces.

For example, Borja described the frustrated armed strike of 29 May as an event that received massive support from the labor class and other plebeian circles of Lima who, as on previous occasions, not only paralyzed economic production activities, but went to the streets to face government repression. Yet, the truth is that the armed strike was quite different. It did not go beyond some dynamite incidents.

Borja presented the antidrug accord signed by the Peruvian and U.S. Governments as an agreement to appease the fury of the people and their vanguard—the PCP (Shining Path), which directs the people's war—adding that the agreement provides for the use of any means,

even the most criminal ones, such as the Vietnamization of Peru, in an attempt to halt the Maoists' course toward victory.

Borja was furious over the designation of Senator Enrique Bernales Ballesteros as coordinator of the United Nations Human Rights Commission. He wrote in EL DIARIO INTERNACIONAL that Bernales' most outstanding feature is his subservience to the worst and most repressive Peruvian regimes. The designation of Bernales, however, was unanimously applauded by all Peruvian political circles.

In press conferences in European cities, Borja, who portrays himself as a journalist who is a victim of the dictatorship, dares to justify the murder of foreign advisers by the Shining Path, charging that the advisers are supporting an obsolete system.

Moreover, behind the facade of the Sol-Peru Committee, Borja is editing and circulating documents drawn up by Guzman Reynoso, such as "Let Us Develop the Guerrilla War," "The PCP and Maoism," and "Do Not Vote but Spread Guerrilla War To Conquer Power for the People." Such documents have been translated into French, English, Arabic, Turkish, Italian, Swedish, and Greek, in addition to the Spanish version.

Borja himself has published a thick 400-page book entitled "Popular War in Peru: Gonzalo Thinking" [Guerra Popular en el Peru: El Pensamiento Gonzalo] in which he compiled the Shining Path's main documents and included an interview that Guzman allegedly granted him in 1988.

The book, also translated into English and French, includes a prologue written by Borja. In it, he explains his Shining Path position and describes Peru as a country where security forces assassinate the poor and peasants in cold blood just for being Shining Path members.

Borja writes that in order to stop the advance of the people's revolutionary war, the police and armed forces have resorted to the bloodiest and most violent methods, such as genocide; massacre; kidnapping; disappearances; clandestine executions; the destruction of entire towns; torture; mass graves; and other methods, which are used everyday. Workers, peasants, students, housewives, and intellectuals are repressed, jailed, and killed every day. In the battlefield, the police and armed forces apply a scorched earth policy, and they take no prisoners. In other words, the Shining Path is combating a tyrannical, authoritative, unpopular government. This is the image that is projected abroad.

It is obvious that Borja's sole objective is to portray Shining Path members as victims of the Peruvian Government's death apparatus, when in truth it is the Shining Path members who style their party as a death machine.

Borja believes that Shining Path members do not even kill flies.

According to the man responsible for spreading this seditious propaganda abroad, all mass killings of peasants that have been perpetrated by the police and armed forces have been systematically attributed to the PCP (Shining Path) with the sole objective of hiding responsibility for the crimes and of blemishing Shining Path prestige. This statement clearly reflects Borja's vast imagination. He rejoices about the Shining Path's alleged victories while he sits comfortably in his European refuge. Unfortunately, the real situation is completely different.

The latest issues of the Lima newspaper EL DIARIO boast about mass crimes perpetrated by the Shining Path against Army and National Police patrols and particularly, against peasant patrol groups—described by the Shining Path as armed groups. These peasant patrols are manned by poor peasants who are tired of Maoist crimes.

Are Peruvian Embassies aware of Borja's activities in Europe, the United States, and Canada?

Borja describes his activities as a humble task carried out in service to the revolution and the people. What should the Foreign Ministry's task be?

According to those responsible for Shining Path propaganda abroad, the Shining Path's victory is near. According to their logic, the Shining Path has already fulfilled the first of the three stages of the revolutionary war, which, according to Mao Zedong, must be accomplished before taking power.

If the so-called strategic defense stage resulted in the death of 35,000 Peruvians—figures supplied by Borja—according to his estimates, the second stage, that of strategic equilibrium, in which they are reportedly currently immersed, will result in the death of 1 million Peruvians.

This is Borja's estimate in one of his last documents entitled: "The Prospect of Power in Peru's People's War." This statement is dated Brussels, 24 April 1991. Unfortunately, the Foreign Ministry chose to ignore this.

Uruguay

Economic Official on Unfeasibility of Mercosur

PY1111121491 Montevideo Radio El Espectador Network in Spanish 0900 GMT 11 Nov 91

[Excerpt] Planning and Budget Director Carlos Cat has spoken about Mercosur [Common Market of the South], which he said is unfeasible given the current Brazilian economic crisis. He also announced that the executive branch will act against the midlevel government officials of the public administration if they do not obey orders. Cat also spoke about the elimination of subsidies.

The planning and budget director, who participated in a Blanco Party executive board meeting in Fray Bentos, analyzed Mercosur's future, the difficulties of some of its member countries, and their economic policies. Cat said Uruguay is worried about the situation of our two large neighbors, especially at a time when Argentina is living through a moment of stability while Brazil, on the contrary, is living through a moment of great instability. This situation greatly worries the Uruguayan Government, as stated by the Uruguayan economy minister, who met for two days with his Mercosur counterparts in Rio de Janeiro analyzing the Brazilian situation in particular.

Cat understands that if the situation of the Collor de Mello administration continues, Mercosur will be completely unfeasible. However, he said, we are still hopeful because it will still be a long time before Mercosur fully takes effect.

Regarding the flexibility of the Treaty of Asuncion, Cat said it contains some safeguard clauses that prevent any member country from being in a more advantageous position than others.

As for the Uruguayan economic situation, Cat said that an effort is being made to control inflation, which is sometimes negatively affected by the troubles of neighbor countries. Uruguay has lowered its inflation from 130 percent in 1990 to 80 or 85 percent in 1991, thanks to a great effort despite regional (?imbalances) that affect us enormously. The economic team is studying several measures to further curb inflation, as announced last August by Economy Minister Enrique Braga, Cat said. [passage omitted]

Privatization To Be Concluded in 1992

PY1111221691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2217 GMT 9 Nov 91

[Text] Montevideo, 9 Nov (AFP-NA)—An official spokesman announced today that the Uruguayan Government will conclude the privatization process for public companies during 1992 and the public companies that are not sold "will be dismantled."

Next year, Uruguay plans to totally or partially privatize the National Telecommunications Administration (Antel), which has a monopoly on telephone and telegraph communications; Uruguayan National Airlines (PLUNA); and the Gas Company.

The private sector will be able to operate thanks to the provisions of a recently promulgated law—following an 18-month debate in congress—that authorizes the concession of services that are currently government monopolies.

Although the government will preserve the public oil, railway, potable water production and distribution companies, it will promote the concession of sewage works and passenger rail lines and the installation of private energy generating plants (connected to the public energy network).

Although it has yet not been approved, the government also wishes to privatize the port services, which are seen as extremely expensive and inefficient.

The Broad Front coalitio (communists, socialists, former Tupamaro guerrillas, and independents) and the PIT-CNT [Interunion Workers Plenum-National Convention of Workers] will try to stop the shrinking of the state (which they qualify as "dismantling" and "giving away our sovereignty"), however, with a campaign to annul the privatization law.

This initiative—which, if approved, should conclude in 12 months with a plebiscite on the validity of the law—has divided people for and against state reform.

President Luis Alberto Lacalle has warned that approval of the campaign to hold a plebiscite would mean "being against the privatization law."

A debate on the social consequences of annulment of the privatization law has been established. While pro-government legal experts maintain that it will not affect the [word indistinct] privatizations, Senator Jose Korzeniak, a expert on the Constitution, said that (?it will annul them).

Meanwhile, implementation of the state reform plan began with the dismantling of the bankrupt ILPE (State and Seal Fishing Industry); with the establishment of cellular telephone services by a U.S. company, which began operations 8 November; and with the beginning of priority privatizations today.

On 8 November, Planning and Budget Director Carlos Cat installed the special committee that will regulate and coordinate implementation of the public companies law and the concession of services, which represents a step forward toward the government's objective.

An Economy and Finance Ministry spokesman told AFP that the privatization plan will conclude in 1992 and that the companies that are not sold will be dismantled like ILPE. He was probably referring to the government airline.

With these reforms the Lacalle administration wants to go down in history as the architect of a new social and more liberal model that for the sake of prosperity, will demolish almost a century of government protectionism.

Leftists in Crisis; Moderates Look To U.S.

PY1211142691 Madrid EFE in Spanish 0757 GMT 12 Nov 91

[By Alberto Pepe Leira]

[Text] Montevideo, 12 Nov (EFE)—The Uruguayan left is facing an important crisis with internal splits, while

the moderates are seeking rapprochement with the United States because they feel that if they are to become a government contender, "they must find mechanisms of coexistence with a hegemonic world power."

The withdrawal of the communist ideology from East Europe has led the Uruguayan leftists, most of whom are affiliated with Marxist-Leninist ideals, to seek explanations on how to maintain the third largest political force in the country electorally stable.

These changes began when the results of some polls showed that 56 percent of the people of Montevideo have a negative view of Marxism.

This result follows another poll which shows that 14 percent of the people are indifferent, and that only 13 percent view that ideology positively.

Another poll carried out by the "Equipos" company, which was released by Channel 12 television shows that 45 percent of the people from Montevideo support Soviet President Mikhail Gorbachev, 54 percent reject Fidel Castro, and only 12 percent expressed indifference.

The Uruguayan left is one of the most recent groups to become strongly allied to the Castro regime and to the Cuban revolution.

The "Broad Front," a coalition of 16 leftist groups gained 22 percent of the country's votes during the 1990 municipal elections in Montevideo, where it has the largest number of militants.

However, the idea of becoming the second largest electoral force in the country, according to the latest polls and considering the decline of the "Blanco" party in the government, has led the most moderate leaders to accelerate the change toward the political center.

The struggle for renewal has caused the main subcoalition within the "Broad Front," called "Advanced Democracy," to disappear. Controlled by the Stalinist Communist Party, "Advanced Democracy" was the main force in 1989 with almost 40 percent of the leftist votes.

"Advanced Democracy" then split into three factions when two groups decided to leave the coalition: one headed by Senator German Araujo and another headed by Deputy and former Senator Francisco Rodriguez Camusso.

Broad Front Deputy Alberto Couriel, one of the moderates, said that the time has come for rapprochement with the United States.

Couriel has been invited by the Inter-American Development Bank (IDB) to a seminar on the economy this week in Washington. He told the press that he will take the opportunity in Washington to meet with representatives of the Departments of State and of the Treasury, as well as congressmen and representatives from some financial organizations like the World Bank.

Deputy Couriel said he will also take the opportunity to analyze "the way U.S. views its relations with Latin America."

He said that if the Broad Front wants to become the government in Uruguay, "it must find adequate mechanisms of coexistence with the U.S. Administration."

Couriel said: "Today the most important factor is that there is a hegemonic power in the political and military fields: the United States."

He added that "for Latin America, the U.S. presence is especially important because Japan is not interested in Latin America and Europe totally disregards the region."

Diplomatic Ties Established With Arab Countries

PY0811231891 Montevideo BUSQUEDA in Spanish 31 Oct 91 p 7

[Text] Foreign Ministry sources have told BUSQUEDA that the Uruguayan Government has established diplomatic relations with three Arab countries, Morocco, Libya, and Iraq, at different rapprochement levels.

The sources said that these decisions comply with "a policy of relations with countries with which Uruguay wants to establish trade links."

Diplomatic relations were established with Libya a month and a half ago with the purpose of initiating talks through "concurrent embassies," that is, delegations from the two countries that will visit each other alternately. The same procedure will be applied with Iraq.

The sources added that next year the Foreign Ministry intends to open an embassy in Rabat, capital of Morocco.

Guyana

Hoyte Sets 16 Dec Elections; Opposition Reacts

FL1111213591 Bridgetown CANA in English 2050 GMT 11 Nov 91

[Text] Georgetown, Guyana, Nov 11, CANA—Guyana's long delayed general elections are to be held December 16, President Desmond Hoyte announced at a huge rally in Georgetown Sunday. The naming of the date drew immediate condemnation by opposition parties in South America's only English-speaking country, who called for public resistance because they say the current voters list is too flawed to be corrected in time for the polls.

"I do not have an alternative, and my decision (to hold elections) is based upon the projections and optimism of the chairman of the elections commission that (a new) list will be ready and on the clear provision of the Constitution," Hoyte said. "If the situation changes, then of course we will have to meet that new situation and take the appropriate action, but as at present advised, and in the current situation, the elections will

proceed," Hoyte told an estimated 10,000 People's National Congress supporters [PNC] at the Square of the Revolution near the Presidential secretariat.

The five-year life of the government ended last December, followed by a constitutional three-month grace period, but the elections have been postponed several times and the life of Parliament extended because of irregularities in the voters list. The government cannot now legally extend the current session further.

Opposition parties and human rights activists who accuse the government of retaining power for 27 years through electoral fraud, insisted that the elections be not held on the flawed list. Hoyte told supporters that certification of the fairness of the poll by the U.S.-based Carter Center and the Commonwealth secretariat was of critical importance to Guyana and its future. The centre, headed by former U.S. President Jimmy Carter, has threatened to withdraw its proposed observer mission if the voters list is not quickly corrected.

Hoyte maintained his confidence that a clean list can be had in time based on the "optimism" of the electoral commission's Rudy Collins. He said he would make a "generous offer" to opposition parties if observers failed to certify the poll as free and fair by calling another election. The 62 year-old Hoyte said he would advise the elections commission to continue working on cleaning up the list to its satisfaction. Exhuding political confidence, the PNC leader said whether the government called three or four elections in one year, the result will still be the same because the PNC will crush the opposition like straws. The opposition immediately took up the challenge, restating support of the Carter Centre's call for suspension of the polls and recall of the Parliament prorogued at the end of September. Dr. Cheddi Jagan, opposition leader and head of the People's Progressive Party (PPP), the largest opposition force, criticised the move, saying that Hoyte is aware that the voters list is in "total confusion." He accused Hoyte of "reneging" on assurances given to Jimmy Carter that the elections would not have been announced without the posting up of the final list, three weeks before nomination day (Thursday). "It is in the interest of the ruling party to hold elections with a rigged list which denies the right to vote of a considerable percentage of those entitled to vote," Jagan told CANA. "There's no other way they can win, and this is one aspect of the rigging," said the 73 year-old one time premier of British Guiana (the pre-independence name of the country).

"The announcement came as no serious surprise since all indications were that President Hoyte was set on this road and we deem it as extremely unfortunate," Dr. Rupert Roopnarine, prime ministerial candidate for the Working People's Alliance (WPA), told CANA Monday. "Forcing the people into a December election, based on a list no one finds acceptable, is an extremely unwise move by President Hoyte," he said. The time is now, Roopnarine said, for Hoyte to make a "seriously patriotic gesture" and allow sufficient time for the cleaning up of the voters list, published here September month-end with over 120,000 voters, or one-third of eligible voters, missing. "As it now stands, a December election will have to be met with serious resistance from the people," Roopnarine said.

Opposition Coalition Fails To Agree on Candidates

FL1311024491 Bridgetown CANA in English 2152 GMT 12 Nov 91

[By Urrell Wilkinson]

[Text] Georgetown, Guyana, Nov 12, CANA—The six opposition parties making up the Patriotic Coalition for Democracy (PCD) abandoned talks on electoral cooperation Tuesday after failing to agree for a third time on fielding a single slate of candidates in forthcoming elections, a party leader said.

Clive Thomas, joint leader of the Working People's Alliance (WPA), said the main obstacle to an agreement was the "preposterous" position of the main opposition People's Progressive Party (PPP) which wanted to contribute 35 of the 53 candidates.

"....It was clear we were faced with a situation that would have been unacceptable to the majority of the parties and on that basis we failed to come to an agreement," Dr. Thomas told CANA.

PPP leader Cheddi Jagan was not immediately available for comment after the PCD abandoned a two-day emergency meeting, called after President Desmond Hoyte on Sunday announced general elections for December 16. Thursday is nomination day.

With the failure of the talks, three PCD parties—the Democratic Labour Movement, the National Democratic Front, and the United Republican Party—announced they would boycott next month's poll.

The WPA and the United Force plan to meet within the next 24 hours to reach a common position on the elections, Dr. Thomas said, describing as "a very profound disappointment" the PCD's failure to agree on a single slate of candidates.

Opposition parties have expressed concern over the announcement of an election date amid continuing controversy over a flawed voters list. The opposition was pushing for the poll to be put back until early in the new year to facilitate a thorough clean-up of the list.

Dr. Thomas, the WPA's presidential candidate, said the meeting discussed possibilities of a flexible boycott of the elections which would have allowed the parties to pull out if there were clear indications the poll would not be free and fair. No agreement was reached.